Prospectus

IREN S.p.A.

(*a company limited by shares incorporated in the Republic of Italy*)

€500,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities

The €500,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities (the "**Securities**") of Iren S.p.A. (the "**Issuer**") are expected to be issued on 23 January 2025 (the "**Issue Date**") at an issue price of 99.448 per cent. of their principal amount. Except where stated otherwise, capitalised terms on this page have the meanings given to them in the Terms and Conditions of the Securities (the "**Conditions**") and any reference to a numbered "**Condition**" is to the correspondingly numbered provision of the Conditions.

The Securities will bear interest on their principal amount from (and including) the Issue Date at the rate of 4.50 per cent. per annum, payable annually in arrear on each Interest Payment Date, commencing on 23 April 2025 (the "**First interest Payment Date**"), subject to resetting of interest every five years, initially with effect from (and including) 23 April 2030 (the "**First Reset Date**"), based on the then applicable EUR 5 year Swap Rate plus the applicable margin, all as set out in full in Condition 4 (*Interest*). Payments of interest may be deferred at the option of the Issuer in certain circumstances, as set out in Condition 4(e) (*Deferral of interest*).

The Securities will be perpetual securities and have no fixed date for redemption. Unless previously redeemed, exchanged or purchased and subsequently cancelled, the Securities will become due and payable at an amount equal to their outstanding principal amount, together with any interest accrued up to (but excluding) the Liquidation Event Date (as defined herein) and outstanding Arrears of Interest (if any) on such date.

The Issuer may redeem all (but not some only) of the Securities (i) unconditionally on any day prior to 23 January 2030 at the Make-Whole Redemption Amount, (ii) unconditionally during the period commencing on (and including) 23 January 2030 and ending on (and including) the First Reset Date and on any subsequent Interest Payment Date (each such date, a "**Par Call Date**") at their principal amount, together with accrued but unpaid interest up to (but excluding) the relevant Par Call Date and any outstanding Arrears of Interest, and (iii) at any time upon the occurrence of a Change of Control Step-Up Event, a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event, an Accounting Event or a Substantial Purchase Event, at the applicable Early Redemption Price, together with accrued but unpaid interest up to (but excluding) the relevant early redemption date and any outstanding Arrears of Interest. See Condition 6 (*Redemption and Purchase*).

This prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under the Prospectus Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). The Central Bank only approves this 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 Securities. Investors should make their own assessment as to the suitability of investing in the Securities.

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for the Securities to be admitted to its Official List and to trading on its regulated market. This Prospectus is available for viewing on Euronext Dublin's website (*https://live.euronext.com*) and both this Prospectus and the information incorporated by reference herein may be accessed on the Issuer's website (*www.gruppoiren.it*) (see "*Information Incorporated by Reference*").

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. State securities laws and are subject to U.S. tax law requirements. For further information on restrictions on offers, sales and deliveries of the Securities in the U.S. and in other jurisdictions, see the section entitled "*Subscription and Sale*" below.

Investing in the Securities involves risks. See "*Risk Factors*" beginning on page 9 of this Prospectus for a discussion of certain risks prospective investors should consider in connection with any investment in the Securities.

The Securities will be in bearer form and in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. The Securities will initially be in the form of a Global Security (as defined herein), which will be deposited on or around the Issue Date with a common depositary for Clearstream Banking, S.A. and Euroclear Bank S.A./N.V. See "*Summary of Provisions relating to the Securities in Global Form*".

Joint Lead Managers

Barclays	**BofA Securities**
Citigroup	**Goldman Sachs International**
IMI-Intesa Sanpaolo	**Mediobanca**
Société Générale Corporate and Investment Banking	**UniCredit**

The date of this Prospectus is 21 January 2025

IMPORTANT NOTICES

This document constitutes a prospectus for the purposes of Article 3(3) of the Prospectus Regulation, so as to provide information on the Issuer, the Securities and the reasons for the issue of the Securities, as required under Article 6 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and makes no omission likely to affect its import.

The Issuer has confirmed to Barclays Bank Ireland PLC, BofA Securities Europe SA, Citigroup Global Markets Europe AG, Goldman Sachs International, Intesa Sanpaolo S.p.A., Mediobanca - Banca di Credito Finanziario S.p.A., Société Générale and UniCredit Bank GmbH (the "**Joint Lead Managers**") that this Prospectus contains all information which is (in the context of the issue, offering and sale of the Securities) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions and intentions not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

This Prospectus is to be read and construed in conjunction with the information which is incorporated by reference in this Prospectus. See "*Information Incorporated by Reference*" below.

Investors should rely only on the information contained in this Prospectus. No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the issue and offering of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Joint Lead Managers.

Neither the Joint Lead Managers nor any of their respective affiliates (as defined in "*Certain Definitions*" below) make any representation, warranty or undertaking, express or implied, or accept any responsibility or liability, with respect to the accuracy or completeness of any of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the issue of the Securities. Neither the Joint Lead Managers nor any of their affiliates accept any liability for this Prospectus or any such information, or for the distribution of the foregoing.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Security shall in any circumstances create any implication that the information contained herein concerning the Issuer or the Group (as defined in "*Certain Definitions*" below) is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Securities is correct as of any time subsequent to the date indicated in the document containing the same, or that there has been no adverse change, or any development or event reasonably likely to involve any adverse change, in the condition (financial or otherwise), prospects, results of operations or general affairs of the Issuer or the Group since the date of this Prospectus.

Neither this Prospectus, nor any information incorporated by reference herein, nor any other information supplied in connection with the issue and offering of the Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any Joint Lead Manager that any recipient of this Prospectus or any such other information should purchase any Securities. In making an investment decision, prospective investors must rely on their own independent examination of the condition (financial or otherwise), business, results of operations and prospectus of the Issuer and the Group, and their own appraisal of the Issuer's creditworthiness. Prospective Securityholders (as defined in "*Certain Definitions*" below) should not consider any information contained in this Prospectus to be legal, business, tax, investment

or other advice. Prospective Securityholders should consider carefully all information contained in this Prospectus (including, without limitation, any documents incorporated by reference herein and the section headed "*Risk Factors*") and reach their own views, based upon their own judgment and upon advice from such financial, tax, legal and other professional advisers as they see fit, before making any investment decision in the Securities. Neither the Joint Lead Managers nor the Issuer make any representation to any investor in the Securities regarding the legality of its investment under any applicable laws. Any investor in the Securities should be able to bear the economic risk of an investment in the Securities for an indefinite period of time.

SUITABILITY OF INVESTMENT

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor must consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for principal or interest payments is different from the potential investor's currency;
- understands thoroughly the terms of the Securities and is familiar with the behaviour of any relevant indices and financial markets; and
- is 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 Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments but, rather, as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities, unless the potential investor has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

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) the Securities are legal investments for it, (ii) the Securities can be used as collateral for various types of borrowing, and (iii) other restrictions apply to the purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

The distribution of this Prospectus and the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Securities may come are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Prospectus may only be used for the purposes for which it has been

published. Neither the Issuer nor the Joint Lead Managers represent that this Prospectus may be lawfully distributed, or that the Securities 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.

In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of the Securities or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this 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.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Securities 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 Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities 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 Securities 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 ("**UK MiFIR**"). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities 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 manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET: Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is only eligible counterparties, as defined in the

FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any distributor (as defined above) should take into consideration the manufacturers' 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 Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

For a description of certain other restrictions on offers, sales and deliveries of Securities and on distribution of this Prospectus and other offering material relating to the Securities, see "*Subscription and Sale*". In particular, the Securities have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

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CRA REGULATION: The Securities are expected to be rated "BB+" by Fitch Ratings Ireland Limited ("**Fitch**") and "BB+" by S&P Global Ratings Europe Limited ("**S&P**"). Each of Fitch and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, each of Fitch and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (*http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*) in accordance with the CRA Regulation. A security 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.

BENCHMARKS REGULATION: The determination of the Prevailing Interest Rate in respect of the Securities is dependent upon the EUR 5 year Swap Rate appearing on the Thomson Reuters Screen Page "ICESWAP2/EURSFIXA" provided by ICE Benchmark Administration Limited ("**IBA**") and the 6-month EURIBOR rate administered by the European Money Markets Institute ("**EMMI**"). As at the date of this Prospectus, EMMI is included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) No 2016/1011, as amended (the "**Benchmarks Regulation**"), whereas IBA does not appear on such register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that IBA is not currently required to obtain recognition, endorsement or equivalence.

CERTAIN DEFINED TERMS

In this Prospectus, unless otherwise specified:

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

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

(iv) references to "**€",** "**EUR**" or "**Euro**" are to the single currency introduced at the start of the third stage of the 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;

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

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

(vii) references to "**IFRS**" are to International Financial Reporting Standards, as adopted by the European Union;

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

(ix) "**Securityholder**" means a holder of any of the Securities; and

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

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of this Prospectus.

Certain figures included in this 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.

STABILISATION

In connection with the issue of the Securities, Goldman Sachs International as stabilisation manager (the "**Stabilisation Manager**") (or any person acting for the Stabilisation Manager) may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail in the open market. 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 Securities is made and, if begun, may cease at any time, but must end no later than the earlier of 30 days after the issue date of the Securities or 60 days after the date of allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or any person acting for the Stabilisation Manager) in compliance with all applicable laws, regulations and rules.

THIRD PARTY INFORMATION

This Prospectus incorporates by reference 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 Prospectus and, as far as the Issuer is aware and is able to ascertain from information published by ARERA, no facts have been omitted which would render such reproduced information inaccurate or misleading.

PRESENTATION OF FINANCIAL INFORMATION

Historic financial information

This Prospectus incorporates by reference, *inter alia*, the English language versions of the following financial information of the Issuer:

- the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2023 (the "**2023 Annual Financial Statements**"), included in the Issuer's Annual Report at 31 December 2023 (the "**2023 Annual Report**");
- the audited consolidated annual financial statement of the Issuer as at and for the year ended 31 December 2022 (the "**2022 Annual Financial Statements**"), included in the Issuer's Annual

Report at 31 December 2022 (the "**2022 Annual Report**");

- the unaudited condensed interim consolidated financial statements of the Issuer as at and for the six months period ended 30 June 2024 (the "**2024 Half-Yearly Financial Statements**"), contained in the Issuer's Interim Consolidated Financial Report at 30 June 2024 (the "**2024 Half-Yearly Report**");
- the unaudited consolidated financial information of the Issuer as at and for the nine months period ended 30 September 2024 (the "**Q3 2024 Quarterly Financial Information**"), contained in the Issuer's Consolidated Quarterly Report at 30 September 2024 (the "**Q3 2024 Quarterly Report**"); and
- certain consolidated financial information set out in the directors' reports from the Issuer's 2024 Half-Yearly Report and its Q3 2024 Quarterly Report.

See "*Information Incorporated by Reference*".

The Issuer has prepared its consolidated annual and half-yearly financial statements in accordance with IFRS.

Auditing of financial information

KPMG S.p.A. ("**KPMG**"), the current auditors to the Issuer, have audited the 2023 Annual Financial Statements and the 2022 Annual Financial Statements and have performed a limited review on the 2024 Half-Yearly Financial Statements in accordance with the relevant guidelines from the *Commissione Nazionale per le Società e la Borsa* (the Italian securities market regulator, otherwise known as "**CONSOB**"), as set out in CONSOB Resolution No. 10867 of 31 July 1997.

The Q3 2024 Quarterly Financial Information has not been audited or reviewed by independent auditors.

Alternative performance measures

This Prospectus includes information incorporated by reference containing certain alternative performance measures ("**APMs**"), as defined in the guidelines issued on 5 October 2015 by ESMA (ESMA/2015/1415) concerning the presentation of APMs disclosed in regulated information and prospectuses. See "*Information Incorporated by Reference*" below.

FORWARD-LOOKING STATEMENTS

This Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or similar words and expressions. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements in this Prospectus, other than statements of historical facts, regarding the Issuer's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Such statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set out in, contemplated by or underlying any forward-looking statements. The Issuer has no obligation or intention to update or revise any forward-looking statements.

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RISK FACTORS

Any investment in the Securities is subject to a number of risks. Prior to investing in the Securities, prospective investors should carefully consider risk factors associated with any investment in the Securities, the business of the Issuer and the sectors in which it operates, together with all other information contained in this Prospectus, including in particular, the risk factors described below, and any document incorporated by reference in this 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 Securities 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 Securities 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 Securities are presented in four categories, in each case presented in a manner that is consistent with the assessment by the Issuer of the materiality of the risk factors, based on the probability of their occurrence and the expected magnitude of their negative impact.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus, including any information incorporated by reference in this 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 Securities" or elsewhere in this Prospectus have the same meanings in this section. Any reference to a numbered "Condition" is to the correspondingly numbered provision in the Terms and Conditions of the Securities.

MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES

Please refer to the information on the material risks that are specific to the Issuer incorporated by reference in this Prospectus, as set out in the section entitled "*Documents Incorporated by Reference*".

MATERIAL RISKS THAT ARE SPECIFIC TO THE SECURITIES AND THAT ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH SECURITIES

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

- *Risks relating to the structure of the Securities*
- *Risks relating to the taxation and accounting treatment of the Securities*
- *Risks relating to the Securities generally*
- *Risks relating to the market generally*

Risks related to the structure of the Securities

The following paragraphs describe certain features of the structure of the Securities that involve specific risks for potential investors.

The Issuer's payment obligations in respect of the Securities are subordinated

The Securities will be direct, unsecured and subordinated obligations of the Issuer and rank and will rank junior to the claims of unsubordinated and other subordinated creditors of the Issuer, except for (i) subordinated creditors whose claims rank, or are expressed to rank, *pari passu* with the Securities and (ii) creditors who are owed payment obligations in respect of Junior Securities. See Condition 3 (*Status and Subordination*) of the Terms and Conditions of the Securities. By virtue of such subordination, upon the occurrence of any winding-up, insolvency, dissolution or liquidation of the Issuer, payments on the Securities will be subordinated in right of payment to the prior payment in full of all other liabilities of the Issuer, except

for payments in respect of any Parity Securities or Junior Securities.

The obligations of the Issuer under the Securities are intended to be senior only to its obligations to the holders of (i) any class of the Issuer's share capital and (ii) any other securities issued by the Issuer or any securities issued by a company other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which securities of the Issuer, or guarantee or similar instrument granted by the Issuer, rank or are expressed to rank *pari passu* with any class of the Issuer's share capital and/or junior to the Securities. A Securityholder may therefore recover less than the holders of unsubordinated or other subordinated liabilities of the Issuer which rank senior to the Securities.

Subject to applicable law, no Securityholder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, or in connection with, the Securities and each Securityholder will, by virtue of being a Securityholder, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention.

Securityholders are advised that unsubordinated liabilities of the Issuer may also arise out of events or obligations that are not reflected in the statement of financial position of the Issuer, including, without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such guarantees will become unsubordinated liabilities of the Issuer which, in a winding-up, insolvency, dissolution or liquidation of the Issuer, will need to be paid in full before the obligations under the Securities may be satisfied.

Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Securities will lose all or some of his investment should the Issuer become insolvent.

The Securities are perpetual securities and holders of the Securities may be required to bear the financial risks of an investment in the Securities for a long period

The Securities are perpetual and have no fixed date for redemption, and unless previously redeemed, purchased or exchanged and cancelled by the Issuer as provided in the Terms and Conditions, the Securities will become due and payable on the Liquidation Event Date, including in connection with any Insolvency Proceedings in accordance with (i) any applicable legal provision, or any decision of any judicial or administrative authority, or (ii) any resolution passed at a shareholders' meeting of the Issuer or (iii) any provision which is set out in the by-laws of the Issuer from time to time (including the maturity of the Issuer which, as of the date of this Prospectus, is set in its by-laws at 31 December 2100). The Issuer is under no obligation to redeem or repurchase the Securities prior to such date, although it may elect to do so in certain circumstances. Securityholders have no right to call for the redemption of the Securities and the Securities will only become due and payable on the Liquidation Event Date. Securityholders should therefore be aware that they may be required to bear the financial risks associated with an investment in long-term securities and that they may not recover their investment in the foreseeable future.

Interest payments may be deferred

The Issuer may elect to defer payment of interest in respect of the Securities accrued to that date by giving a Deferral Notice (as defined in Condition 4(e) (*Deferral of interest*) of the Terms and Conditions of the Securities) to Securityholders. If the Issuer makes such an election, the Issuer will have no obligation to make such payment and any such non-payment of interest will not constitute a default by the Issuer for any purpose. Any interest in respect of the Securities the payment of which is deferred will, so long as the same remains outstanding, constitute Arrears of Interest. Arrears of Interest will be payable as outlined in Condition 4(e) (*Deferral of interest*) of the Terms and Conditions of the Securities. No interest will accrue on any outstanding Arrears of Interest. While the deferral of payment of interest continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Securities and may, in certain limited circumstances, pay dividends or make distributions on, or redeem or repurchase, Junior Securities and Parity Securities (as further set out in the definition of "Compulsory Arrears of Interest Settlement Date" in Condition 1(a) (*Definitions*)) without triggering the compulsory settlement of Arrears of Interest, and in that event, the Securityholders are not entitled to claim immediate payment of interest so deferred.

As a result, any deferral of interest payments, or perception that the Issuer will exercise its deferral rights, is likely to have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provisions of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the financial condition of the Issuer.

Resettable fixed rate securities have a market risk

The Securities will bear interest at a fixed rate, subject to resetting of interest every five years, based on the then applicable EUR 5 year Swap Rate plus the applicable margin. A holder of fixed rate securities is particularly exposed to the risk that the price of such securities falls as a result of changes in the market interest rates. While the nominal remuneration rate of the Securities is fixed until the First Reset Date (with a reset of the initial fixed rate every five years on each Reset Date as set out in the Terms and Conditions of the Securities), market interest rates typically change on a daily basis. As the market interest rate changes, the price of the Securities also changes, but in the opposite direction. If the market interest rate increases, the price of the Securities would typically fall. If the market interest rate falls, the price of the Securities would typically increase. Securityholders should be aware that movements in these market interest rates can adversely affect the price of the Securities and can lead to losses for the Securityholders if they sell the Securities.

In addition, a holder of securities with a fixed interest rate that will be reset during the term of the securities (as will be the case for the Securities on each Reset Date if not previously redeemed) is exposed to the risk of fluctuating interest rate levels and uncertain interest income.

Interest will be reset periodically by reference to a mid-swap rate, which may be affected by changes in the benchmarks' laws and regulations

Commencing on the First Reset Date, the interest rate for each Reset Period will (if the Securities are not redeemed or repurchased pursuant to Condition 6 (*Redemption and Purchase*) of the Terms and Conditions of the Securities) be reset by reference to the prevailing EUR 5 year Swap Rate plus (A) in respect of the first Reset Period commencing on the First Reset Date and ending on but excluding 23 April 2035, 2.212 per cent. per annum; (B) in respect of the Reset Periods commencing on or after 23 April 2035 and ending on but excluding the Reset Date falling on 23 April 2050, 2.462 per cent. per annum; and (C) in respect of the Reset Periods commencing on or after 23 April 2050 and any Reset Period following thereafter, 3.212 per cent. per annum.

The EUR 5 year Swap Rate references the annual mid-swap rate. Furthermore, as at the time of pricing of the Securities, the current market practice is to derive the EUR 5 year Swap Rate Quotations in part from the Euro interbank offered rate ("**EURIBOR**"). The EUR 5 year Swap Rate, EURIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently from the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Securities.

The Benchmarks Regulation 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 Benchmarks Regulation could have a material impact on the Securities, in particular if the methodology or other terms of the relevant benchmark are changed in order to comply with the requirements of the

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 relevant 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 (by way of illustration only):

- discourage market participants from continuing to administer or contribute to a benchmark;
- trigger changes in the rules or methodologies used in the benchmark; and/or
- lead to the 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 the Securities.

Following the discontinuation of LIBOR, there are significant doubts about the continuing use in financial markets transaction of forward-looking interbank offered rates, such as EURIBOR, and their long-term sustainability depends on factors such as the continued willingness of their panel of contributing banks to support it, and whether or not there is sufficient activity in their underlying market. The absence of these factors may cause forward-looking rates to perform differently compared to the past and may have other consequences which cannot be predicted.

The Terms and Conditions of the Securities include fall-back provisions as set out in Condition 4(b) (*Determination of EUR 5 year Swap Rate*) which apply in the event the relevant EUR 5 year Swap Rate does not appear on the EUR Reset Screen Page on the relevant Reset Interest Determination Date, which include requesting the EUR Reset Reference Banks to provide their EUR 5 year Swap Rate Quotations. Applying such fall-back provisions will result in the Securities performing differently (which may include payment of a lower Prevailing Interest Rate) than they would if the EUR 5 year Swap Rate were available.

The Terms and Conditions of the Securities also provide for certain fallback arrangements as set out in Condition 5 (*Benchmark Discontinuation*) in the event that the annual mid-swap rate referred to in the definition of EUR 5 year Swap Rate or EURIBOR which is used to derive the EUR 5 year Swap Rate Quotations (each an "**Original Reference Rate**") (including any page on which such benchmark rate may be published (or any successor service)) becomes unavailable, including the possibility that the Prevailing Interest Rate could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Reference Rate Adviser, acting in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer, and such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be). The use of any such Successor Rate or Alternative Rate to determine the Prevailing Interest Rate will result in the Securities performing differently (which may include payment of a lower Prevailing Interest Rate) from how they would do if the EUR 5 year Swap Rate were to continue to apply in its current form.

In certain circumstances the ultimate fallback of interest for a particular Reset Period may result in the effective application of a fixed rate based on the rate which was last observed on the EUR Reset Screen Page. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Reference Rate Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Reference Rate Adviser determines that amendments to the Terms and Conditions of the Securities and the Agency Agreement are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread, then such amendments will be made without any requirement for the consent or approval of Securityholders, as provided by Condition 5(e) (*Benchmark Discontinuation – Benchmark Amendments*).

Any such consequences could have an adverse effect on the value of and return on the Securities. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Securities or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Securities. Investors should consider these matters with their own Independent Reference Rate Advisers when making their investment decision with respect to the Securities.

If (i) the Issuer is unable to appoint and consult with an Independent Reference Rate Adviser and (ii) neither the Independent Reference Rate Adviser nor the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Conditions 5(a) (*Independent Reference Rate Adviser*) and 5(b) (*Failure to appoint*) prior to the date which is 10 Business Days prior to the relevant Reset Interest Determination Date, the EUR 5 year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last available EUR 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the EUR Reset Screen Page. For the avoidance of doubt, any adjustment pursuant to Condition 5(a) (*Independent Reference Rate Adviser*) or 5(b) (*Failure to appoint*) shall apply to the immediately following Reset Period only and any subsequent Reset Periods may be subject to the subsequent operation of, and to adjustment as provided in, Conditions 5(a) (*Independent Reference Rate Adviser*) and 5(b) (*Failure to appoint*).

Notwithstanding any other provision of Condition 5 (*Benchmark Discontinuation*), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of "equity credit" assigned to the Securities by any Rating Agency when compared to the "equity credit" assigned to the Securities immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency, (ii) result in shortening of the period of time "equity credit" is assigned or attributed to the Securities by any Rating Agency, or (iii) otherwise prejudice the eligibility of the Securities for "equity credit" from any Rating Agency.

The Securities are subject to early redemption risk

The Issuer may redeem all (but not some only) of the Securities on any Par Call Date, the first such date being 23 January 2030 (three months before the First Reset Date) at their principal amount together with accrued interest to, but excluding, the relevant Par Call Date and any outstanding Arrears of Interest, as outlined in Condition 6(b) (*Unconditional early redemption*) of the Terms and Conditions of the Securities. The Issuer may furthermore redeem all (but not some only) of the Securities on any day prior to the First Par Call Date at the Make-Whole Redemption Amount, as outlined in Condition 6(c) (*Make-Whole Redemption at the Option of the Issuer*) of the Terms and Conditions of the Securities.

The Issuer may also redeem all of the Securities (but not some only) at the applicable Early Redemption Price at any time following the occurrence of a Change of Control Step-Up Event, a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event or an Accounting Event, as set out in Conditions 6(d) (*Early Redemption following a Change of Control Step-Up Event*), 6(e) (*Early Redemption following a Withholding Tax Event*), 6(f) (*Early Redemption following a Tax Deductibility Event*), 6(g) (*Early Redemption following a Rating Methodology Event*) and 6(h) (*Early Redemption following an Accounting Event*). In addition, in the event that at least 75 per cent. of the aggregate amount of the Securities issued on the Issue Date has been purchased by or on behalf of the Issuer or a Subsidiary and cancelled, the Issuer may redeem all (but not some only) of the outstanding Securities at the applicable Early Redemption Price. In each of the above cases, the applicable Early Redemption Price may be less than the then current market value of the Securities.

Furthermore, during any period when the Issuer may elect to redeem or is perceived to be able to redeem the Securities, the market value of the Securities will not normally be expected to rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

Where the Issuer's right to redeem the Securities is or has become unconditional, it may be expected to exercise that right when its cost of borrowing for similar securities is lower than the interest rate on the Securities, or if it no longer requires the Securities as part of its capital structure. An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities

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

There is no limitation on the Issuer issuing senior or pari passu securities

There is no restriction on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on an insolvency of the Issuer and/or may increase the likelihood of a deferral of interest payments under the Securities.

Changes in rating methodologies may lead to the early redemption of the Securities

S&P and Fitch may change, amend or clarify their rating methodology or change their interpretation thereof and, as a result, the Securities may no longer be eligible for the same or a higher amount of "equity credit" attributable to the Securities at the date of their issue. In such an event, the Issuer may have the option (subject to certain conditions) to redeem the Securities, vary the terms of the Securities or exchange them for new securities pursuant to the Conditions (see "*The Securities are subject to early redemption risk*" above and "*The Securities are subject to provisions relating to modification, including exchange or variation of the Securities*" below).

There are no events of default

The Terms and Conditions of the Securities do not contain any events of default allowing acceleration of the Securities if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Securities, including the payment of any interest, investors will not have the right to require the early redemption of the Securities.

On the Liquidation Event Date, the Securities will become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest. In the event of a winding-up, insolvency, dissolution or liquidation of the Issuer, the claims of the Securityholders will be subordinated as further described in Condition 3 (*Status and Subordination*) of the Terms and Conditions of the Securities. Accordingly, the claims of holders of all obligations to which the Securities are subordinated will first have to be satisfied in any winding-up or analogous proceedings before the Securityholders may expect to obtain any recovery in respect of the Securities and, prior to that moment, Securityholders will have only limited ability to influence the conduct of such winding-up or analogous proceedings.

The Securities are subject to provisions relating to modification, including exchange or variation of the Securities

The Terms and Conditions provide that the Issuer may, subject to the fulfilment of certain requirements as set out in Condition 7(b) (*Conditions for exchange or variation*), without any requirement for the consent or approval of the Securityholders, agree to the variation or the exchange (to the extent permitted by applicable laws and regulations), of the Securities upon a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event or an Accounting Event, subject to the fulfilment of certain conditions intended to protect the interests of the Securityholders, so that immediately following such exchange or variation, no Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event applies in respect of the Exchanged Securities or, as applicable, the Varied Securities. Whilst the Exchanged Securities or Varied Securities, as the case may be, are required to have terms which are (in the sole opinion of the Issuer (acting reasonably) not prejudicial to the interests of the Securityholders (as a class), there can be no assurance that the Exchanged Securities or Varied Securities, as the case may be, will not have a significant adverse impact on the price of, and/or market for, the Securities or the circumstances of individual Securityholders.

Furthermore, the Terms and Conditions of the Securities provide that the Conditions may be amended without the consent of the Securityholders or the Couponholders to correct a manifest error and the parties to the Agency Agreement may agree to modify any provisions of that agreement, although the Issuer shall

not agree, without the consent of the Securityholders, 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 prejudicial to the interests of the Securityholders.

See also "*Risks relating to the Securities generally - Decisions at Securityholders' meetings bind all Securityholders*" below.

Risks relating to the taxation and accounting treatment of the Securities

Set out below is a brief description of the principal risks related to the taxation and accounting treatment of the Securities:

Qualification of the Securities under Italian tax law

The applicability of the tax regime provided for by Decree No. 239 to the Securities is based on the interpretation of the applicable legislation as confirmed by clarifications given by the Italian tax authority in Circular No. 4/E of 18 January 2006, Circular No. 4/E of 6 March 2013, Resolution No. 30/E of 26 February 2019 and reply to Ruling No. 291 of 31 August 2020, according to which (i) bonds may have a maturity which is not scheduled at a specific date, but which instead is linked (as is the case with the Securities) either to the duration of the issuing company or to certain events that would lead to the liquidation of the issuer, and (ii) the accounting of bonds as equity instruments by the issuer does not affect the classification of the instruments for tax purposes. Prospective purchasers and holders of the Securities should be aware that the above clarifications (as well as the Italian tax provisions in effect as of the date of this Prospectus) are subject to changes, which could even apply retrospectively. In particular, the Issuer gives no assurance that the Italian tax authorities will in the future maintain their current position on this matter. See also "*Risk of changes in tax law*" below.

If the Securities were not classified as "bonds" or "debentures similar to bonds" for tax purposes, they would be classified as "atypical securities" pursuant to Article 5 of Law Decree No. 512 of 30 September 1983. Under those circumstances, interest and other proceeds in respect of the Securities could be subject to Italian withholding tax at a rate of 26 per cent. if owed to beneficial owners that are not resident in Italy for tax purposes or to certain categories of Italian resident beneficiaries, depending on the legal status of the beneficiary owner of such interest and other proceeds from the Securities. The applicability of such a withholding tax in relation to interest and other proceeds paid to non-Italian resident beneficiaries would give rise to an obligation of the Issuer to pay additional amounts pursuant to Condition 9 (*Taxation*), and would, as a consequence (subject to certain conditions), allow the Issuer to redeem the Securities, to vary the terms of the Securities or exchange them for new securities pursuant to the Conditions (see "*The Securities are subject to early redemption risk*" and "*The Securities are subject to provisions relating to modification, including exchange or variation of the Securities*" above).

The current IFRS accounting classification of financial instruments such as the Securities as equity instruments may change, which may result in the occurrence of an Accounting Event

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the **DP/2018/1 Paper**) and the Financial Instruments with Characteristics of Equity project was moved to standard setting. In November 2023, the IASB issued an exposure draft on the proposed amendments proposed by the DP/2018/1 Paper. Whilst the proposals set out in the DP/2018/1 Paper would not, in their current form, result in any changes to the current IFRS accounting classification of financial instruments such as the Securities as equity instruments, such exposure draft is, however, subject to receipt of comments the deadline for which was 29 March 2024 and which were subsequently discussed by the IASB in July 2024 without any decision being taken. As at the date of this Prospectus, the implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar proposals that may be made in the future, including the extent and timing of any such implementation, if at all, remains uncertain.

Accordingly, no assurance can be given as to the future classification of the Securities from an accounting perspective. If alternative changes are proposed and implemented, the current IFRS accounting classification

of financial instruments such as the Securities as equity instruments may change and this may result in the occurrence of an "Accounting Event" (as described in the Terms and Conditions of the Securities). In such an event, the Issuer may have the option (subject to certain conditions) to redeem the Securities, vary the terms of the Securities or exchange them for new securities pursuant to the Conditions (see "*The Securities are subject to early redemption risk*" and "*The Securities are subject to provisions relating to modification, including exchange or variation of the Securities*" above).

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

All payments in respect of Securities 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 Securityholder receiving such amounts as they would have received in respect of such Securities 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 Securityholder is eligible to receive payments free of Italian substitute tax but fails to comply with certain requirements, such as the direct or indirect deposit of the Securities with certain qualified intermediaries, the making of a declaration regarding certain subjective requirements, including the fact of non-residence in Italy, and other claims for an exemption. A brief description of Italian substitute tax is set out in the section headed "*Taxation*".

Prospective investors in the Securities 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 Securityholders and the Issuer will not be obliged to pay any additional amounts to those Securityholders. As a result, those Securityholders will receive lower amounts of interest than they would otherwise have been entitled to receive. To the extent that any such withholding or deduction is not recoverable, the effective yield of the Securities for those Securityholders will be significantly lower than originally envisaged. See also "*Risk of changes in tax law*" below.

Risk of changes in tax law

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 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 Securities and could result in a lower return on their investment.

Prospective purchasers of the Securities should consult their own tax advisors regarding the tax consequences that may derive from the Tax Reform.

Risk relating to the Securities generally

Investors must rely on the procedures of the clearing systems

Except in certain limited circumstances described in the Permanent Global Security, investors will not be entitled to receive Definitive Securities and, as a result, the Securities will be represented by Global Securities (see "*Summary of provisions relating to the Securities in Global Form*"). These will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, which will maintain records of the

beneficial interests in the Global Securities. While the Securities are represented by a Global Security, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

Similarly, while the Securities are in global form, the Issuer will discharge its payment obligations under the Securities by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Security must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Securities. The Issuer has no responsibility or liability for any aspect of the records relating to, or payments made in respect of, beneficial interests in the Global Securities, or otherwise for maintaining, supervising or reviewing any records relating to book-entry interests held through the facilities of any clearing system.

Furthermore, holders of beneficial interests in the Global Securities will only be able to exercise their right to vote at meetings of Securityholders to the extent that they are enabled by the procedures of Euroclear and Clearstream, Luxembourg.

Restrictions apply to the tradeable amounts of the Securities

The Securities will be issued in denominations of €100,000 or higher integral multiples of €1,000, up to and including a maximum denomination of €199,000. Although Securities cannot be traded in amounts of less than their minimum denomination of €100,000, they may nonetheless be traded in amounts that will result in a Securityholder holding a principal amount of less than €100,000. Any such principal amount would not be tradeable while the Securities are in the form of a Global Security and, if Definitive Securities were issued, such Securityholder would not receive a Definitive Security in respect of its holding and, consequently, would need to purchase a principal amount of Securities so as to increase such holding to at least €100,000. If Definitive Securities are issued, holders should be aware that Definitive Securities which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Decisions at Securityholders' meetings bind all Securityholders

Provisions for the holding of meetings of Securityholders are contained in the Agency Agreement and summarised in Condition 14(a) (*Meetings of Securityholders*). Securityholders' meetings may be called to consider matters affecting Securityholders' interests generally, including modifications to the terms and conditions relating to the Securities. These provisions permit defined majorities to bind all Securityholders, including those who did not attend and vote at the relevant meeting or who voted against the majority. Any such modifications to the Securities may have an adverse impact on Securityholders' rights and on the market value of the Securities, and may include, without limitation:

- lowering the ranking of the Securities;
- reducing the amount of principal and interest payable on the Securities;
- changing the time and manner of payment;
- changing provisions relating to redemption;
- limiting remedies on the Securities; and
- changing the amendment provisions.

In addition, the Issuer gives no assurance that the distribution of the Securities will be sufficiently wide, either upon issue or at any other time, to prevent a limited number of investors from determining the outcome of a vote at any such meeting.

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

As mentioned in "*Risks relating to change of law or administrative practices*" above, the provisions relating to Securityholders' 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 Securities. In addition, as currently drafted, the rules concerning Securityholders' meetings are intended to follow mandatory

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

Risks relating to change of law or administrative practices

The conditions of the Securities are governed by English law, except that Condition 3 (*Status and Subordination*) is governed by Italian law and certain provisions relating to the Securities are subject to compliance with certain mandatory provisions of Italian law, such as those applicable to Securityholders' meetings and to the appointment and role of the Securityholders' representative (*rappresentante comune*). The conditions of the Securities are therefore based on English and, where applicable, Italian law in effect as at the date of this Prospectus. 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 Prospectus.

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

Risks related to the market generally

There is no active trading market for the Securities and one cannot be assured.

Application has been made for the Securities to be listed on the Official List of Euronext Dublin and admitted to trading on its regulated market. However, there can be no assurance that the Securities will be accepted for listing or, if listed, will remain listed. The Securities are new securities for which there is currently no market and there can be no assurance as to the liquidity of any market that may develop for the Securities, the ability of Securityholders to sell such Securities or the price at which the Securities may be sold. The liquidity of any market for the Securities will depend on the number of holders of the Securities, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and the Issuer's financial condition, performance and prospects. In an illiquid market, the Securityholders might not be able to sell their Securities at fair market prices at any time or at all.

There can be no assurance that an active trading market for the Securities will develop or, if one does develop, that it will be maintained. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and trading prices for the Securities.

The Securities may be delisted in the future

Application has been made to Euronext Dublin for the Securities to be admitted to the Official List and admitted to trading on its regulated market. The Securities may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made by the Issuer as to the liquidity of the Securities as a result of listing, any delisting of the Securities may have a material effect on a Securityholder's ability to resell the Securities on the secondary market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit ("**Investor's Currency**") other than euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of the euro 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 euro would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Securities, and (iii) the Investor's Currency-equivalent market value of the Securities.

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.

Credit ratings of the Issuer may affect the trading price of the Securities

The Securities are expected to be assigned a rating by Fitch and S&P. Investors should be aware that:

- such ratings 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 Securities;
- 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 Securities.

In addition, Fitch or S&P or any other rating agency may change its methodologies for rating securities with features similar to the Securities in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Securities, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Securities were to be subsequently lowered, this may have a negative impact on the trading price of the Securities.

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. If the status of the rating agency rating the Securities changes for the purposes of the CRA Regulation or equivalent regulations in other jurisdictions, investors may no longer be able to use the rating for regulatory purposes in the EEA or that other jurisdiction, and the Securities may have a different regulatory treatment. This may result in those investors selling the Securities, which may affect the value of the Securities and any secondary market.

Transfers of the Securities may be restricted

The ability to transfer the Securities may also be restricted by securities laws or regulations of certain countries or regulatory bodies. The Securities 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. Securityholders may not offer the Securities 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 Securityholder to ensure that offers and sales of Securities 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 Securities, see "*Subscription and Sale*". Any restrictions on the ability of investors to sell or transfer their Securities in any jurisdiction may have an

adverse effect on the liquidity of Securities on the secondary market and, consequently, on the market value of the Securities.

OVERVIEW OF THE TERMS OF THE SECURITIES

This Overview section must be read as an introduction to this Prospectus and any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole, including the full text of the terms and conditions relating to the Securities (the "Terms and Conditions" or the "Conditions"), as set out in the section of this Prospectus entitled "Terms and Conditions of the Securities".

In this section, (i) any reference to a numbered "Condition" is to the correspondingly numbered provision in the Terms and Conditions; and (ii) words and expressions defined in the Conditions have the same meanings below.

Issuer:	Iren S.p.A.
Legal Entity Identifier (LEI):	8156001EBD33FD474E60
Description of Securities:	€500,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities
Fiscal Agent and Agent Bank:	The Bank of New York Mellon
Joint Lead Managers:	Barclays Bank Ireland PLC BofA Securities Europe SA Citigroup Global Markets Europe AG Goldman Sachs International Intesa Sanpaolo S.p.A. Mediobanca – Banca di Credito Finanziario S.p.A. Société Générale UniCredit Bank GmbH
Issuer rating:	BBB stable (S&P) / BBB stable (Fitch)
Expected rating of Securities:	BB+ (S&P) / BB+ (Fitch)
Form and denomination:	The Securities are in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.
Status of the Securities:	The Securities and the Coupons, including the obligations of the Issuer in respect of any Arrears of Interest, constitute direct, unsecured and subordinated obligations of the Issuer and rank and will rank at all times *pari passu* without any preference among themselves and with the Issuer's payment obligations in respect of any Parity Securities. The Securities constitute *obbligazioni* pursuant to Articles 2410 *et seq*. of the Italian Civil Code.
Subordination:	The obligations of the Issuer to make payment in respect of principal and interest on the Securities and the Coupons, including its obligations in respect of any Arrears of Interest, will, in the event of the winding-up, insolvency, dissolution or liquidation of the Issuer, rank: (i) senior only to the Issuer's payment obligations in respect of any Junior Securities; (ii) *pari passu* among themselves and with the Issuer's payment obligations in respect of any Parity Securities; and

(iii) junior to all other payment obligations of the Issuer, present and future, whether subordinated (including any claims pursuant to Article 2411, first paragraph, of the Italian Civil Code) or unsubordinated,

in each case except as otherwise required by mandatory provisions of applicable law.

Parity Securities means:

(i) any securities or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* with the Issuer's obligations under the Securities; and

(ii) any securities or other instruments issued by a company or entity other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which guarantee or similar instrument ranks or is expressed to rank *pari passu* with the Issuer's obligations under the Securities.

Junior Securities means:

(i) the ordinary shares (*azioni ordinarie*) of the Issuer;

(ii) any other class of the Issuer's share capital (including savings shares (*azioni di risparmio*) and preferred shares (*azioni privilegiate*)) (if any); and

(iii) any securities:

(A) of the Issuer (including so-called *strumenti finanziari partecipativi* issued under Article 2346 of the Italian Civil Code); and

(B) issued by a company other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer,

which securities (in the case of (A)) or guarantee or similar instrument (in the case of (B)) rank or are expressed to rank *pari passu* with the claims described under (i) and (ii) above and/or junior to the Securities.

No set-off: Each Securityholder and Couponholder will, by virtue of his holding of any Security or Coupon, be deemed to have waived all rights of set-off, counterclaim, compensation or retention.

First Par Call Date: 23 January 2030, being the date falling three months before the First Reset Date

First Reset Date: 23 April 2030

Reset Dates: The First Reset Date and each date falling on the fifth anniversary thereafter

Interest:	The Securities will bear interest on their principal amount as follows: (i) from (and including) the Issue Date to (but excluding) the First Reset Date, at the rate of 4.50 per cent. per annum, payable annually in arrear on each Interest Payment Date, commencing on the First Interest Payment Date; and (ii) from (and including) the First Reset Date to (but excluding) the date of any redemption or repurchase pursuant to Condition 6 (*Redemption and Purchase*), at, in respect of each Reset Period, the relevant EUR 5 year Swap Rate plus: (A) in respect of the Reset Period commencing on the First Reset Date and ending on but excluding the Reset Date falling on 23 April 2035, 2.212 per cent. per annum; (B) in respect of the Reset Periods commencing on or after 23 April 2035 and ending on but excluding the Reset Date falling on 23 April 2050, 2.462 per cent. per annum; and (C) in respect of the Reset Period commencing on 23 April 2050 and any Reset Period thereafter, 3.212 per cent. per annum.
Step-Up:	If the Issuer does not elect to redeem the Securities following the occurrence of a Change of Control Step-Up Event, the then Prevailing Interest Rate and each subsequent rate of interest on the Securities shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Step-Up Event occurred. See also "*Change of Control Step-Up Event*" below.
Maturity:	The Securities are perpetual and have no fixed date for redemption. Unless previously redeemed or purchased and cancelled as provided below, the Securities will become due and payable at an amount equal to their outstanding principal amount, together with any interest accrued but unpaid up to (but excluding) the Liquidation Event Date (as defined below) and outstanding Arrears of Interest (if any) on the date on which a winding up, dissolution or liquidation of the Issuer (otherwise than for the purpose of a Permitted Reorganisation) is instituted (the "**Liquidation Event Date**"), including in connection with any Insolvency Proceedings, in accordance with (i) any applicable legal provision, or any decision of any judicial or administrative authority, or (ii) any resolution passed at a shareholders' meeting of the Issuer or (iii) any provision which is set out in the by-laws of the Issuer from time to time (including the maturity of the Issuer which,

	as of the Issue Date, is set in its by-laws at 31 December 2100).
Interest Payment Dates:	23 April in each year, commencing on, and including, 23 April 2025
Optional interest deferral:	The Issuer may, at any time and at its sole discretion, elect to defer in whole, or in part, any payment of interest accrued on the Securities in respect of any Interest Period by giving notice of such election to the Securityholders and to each Agent at least 5, but not more than 30, Business Days prior to the relevant Interest Payment Date. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Securities or for any other purpose unless such Arrears of Interest becomes due and payable in accordance with the Conditions. Any Deferred Interest Payment will be deferred and shall constitute Arrears of Interest. Any Arrears of Interest will remain outstanding until paid in full by the Issuer, but Arrears of Interest shall not themselves bear interest.
Settlement of Arrears of Interest:	Arrears of Interest may be paid (in whole or in part) at any time but shall become payable (in whole but not in part) on the earliest of: (i) the tenth Business Day following the date on which a Compulsory Arrears of Interest Settlement Event occurs; (ii) following any Deferred Interest Payment, the next scheduled Interest Payment Date on which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and (iii) the date on which the Securities are redeemed or repaid in accordance with Condition 6 (*Redemption and Purchase*) or become due and payable in accordance with Condition 10 (*Enforcement and Limitation on Remedies*), including at the Liquidation Event Date (unless otherwise required by mandatory provisions of applicable law). A Compulsory Arrears of Interest Settlement Event shall occur if: (i) a dividend (either interim or final) or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Securities, except where (A) such dividend was paid in the form of the issuance (or transfer from treasury) of ordinary shares; (B) such dividend, other distribution or payment was required to be

resolved on, declared, paid or made in respect of any stock option plans or employees' share schemes; or (C) such dividend, other distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities (including, for the avoidance of doubt, where such dividend, other distribution or payment was declared by the Issuer before the earliest notice given by the Issuer in respect of the then outstanding Arrears of Interest); or

(ii) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Parity Securities, except where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Parity Securities (including, without limitation, where any such payment occurs mandatorily at the maturity of such Parity Securities and, for the avoidance of doubt, where such dividend, other distribution or payment was declared by the Issuer before the earliest notice given by the Issuer in respect of the then outstanding Arrears of Interest); or

(iii) the Issuer or any Subsidiary has repurchased, purchased, redeemed or otherwise acquired any Junior Securities, except where (A) such repurchase, purchase, redemption or acquisition was undertaken in connection with the satisfaction by the Issuer or any Subsidiary of its respective obligations under (1) any share buy-back programme existing at the Issue Date or (2) any stock option plan, free share allocation plan or share buy-back programme reserved exclusively for Directors, officers and/or employees of the Issuer (or, as applicable, its Subsidiary) or any associated hedging transaction or (B) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities; or

(iv) the Issuer or any Subsidiary has repurchased, purchased, redeemed or otherwise acquired any Parity Securities, except where (A) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Securities (including, without limitation, where any such payment occurs mandatorily at the maturity of such Parity Securities) or (B) such repurchase, purchase, redemption or acquisition is effected as a public

tender offer or public exchange offer at a purchase price per security which is below its par value; or

(v) the Issuer or any Subsidiary has, directly or indirectly, repurchased any of the Securities, except where such repurchase is effected, in whole or in part, as a public tender offer or public exchange offer at a purchase price per Security which is below its par value,

except that a Compulsory Arrears of Interest Settlement Event shall not occur pursuant to paragraph (ii) above in respect of any *pro rata* payment of deferred or arrears of interest on any Parity Securities which is made simultaneously with a *pro rata* payment of any Arrears of Interest, *provided that* such *pro rata* payment of deferred or arrears of interest on a Parity Security is not proportionately more than the *pro rata* settlement of any such Arrears of Interest.

Early redemption:

The Issuer may redeem all (but not some only) of the Securities on any date during the period commencing on (and including) the First Par Call Date and ending on (and including) the First Reset Date or on any Interest Payment Date thereafter (each such date, a "**Par Call Date**"), in each case at their principal amount together with any accrued but unpaid interest up to (but excluding) the relevant Par Call Date and any outstanding Arrears of Interest.

The Issuer may also redeem all (but not some only) of the Securities on any day prior to the First Par Call Date at the applicable Make-Whole Redemption Amount.

In addition, subject to certain conditions, the Issuer may redeem all (but not some only) of the Securities at the applicable Early Redemption Price upon the occurrence of a Change of Control Step-Up Event, a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event, an Accounting Event or a Substantial Purchase Event, as further summarised below.

The Early Redemption Price will be determined as follows:

(i) in the case of a Change of Control Step-Up Event, a Withholding Tax Event or a Substantial Repurchase Event, 100 per cent. of the principal amount of the Securities then outstanding; or

(ii) in the case of an Accounting Event, a Tax Deductibility Event or a Rating Methodology Event, either:

(A) 101 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls prior to the First Par Call Date; or

(B) 100 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls on or after the First Par Call Date,

and in each case together with any accrued but unpaid interest up to, but excluding, the relevant Early Redemption Date and outstanding Arrears of Interest (if any).

See Condition 6 (*Redemption and Purchase*) for further details.

Change of Control Step-Up Event: A Change of Control Step-Up Event will be deemed to have occurred if:

(i) a Change of Control occurs;

(ii) a Change of Control Rating Event occurs; and

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

Withholding Tax Event: A Withholding Tax Event shall be deemed to have occurred if, following the Issue Date:

(i) as a result of a Tax Law Change, the Issuer has or will become obliged to pay Additional Amounts in respect of the Securities and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(ii) a Person into which the Issuer is merged or to whom it has conveyed, transferred or leased all or substantially all of its assets and who has been substituted in place of the Issuer as principal debtor under the Securities is required to pay Additional Amounts in respect of the Securities and such obligation cannot be avoided by such Person taking reasonable measures available to it, unless the sole purpose of such a merger, conveyance, transfer or lease would be to permit the Issuer to redeem the Securities.

See also "*Gross-up*" below.

Tax Deductibility Event: A Tax Deductibility Event shall be deemed to have occurred if, as a result of a Tax Law Change, payments of interest by the Issuer in respect of the Securities are no longer, or within 90 calendar days of the date of any opinion provided by independent legal or tax advisers pursuant to Condition 6(i) (*Further conditions for early redemption*) will no longer be, deductible in whole or in part for Italian corporate income tax purposes (or entitlement to make such deduction shall be materially delayed or reduced), and the Issuer cannot avoid the

foregoing by taking reasonable measures available to it, *provided that*, for the avoidance of doubt, a Tax Deductibility Event shall not occur if payments of interest by the Issuer in respect of the Securities are not deductible in whole or in part for Italian corporate income tax purposes solely as a result of general tax deductibility limits set forth by Article 96 of Decree No. 917 as at (and on the basis of the general tax deductibility limits calculated in the manner applicable as at) the Issue Date.

Rating Methodology Event:

A Rating Methodology Event shall be deemed to have occurred if the Issuer has received a Rating Agency Confirmation stating that:

(i) due to an amendment to, clarification of or change in the "equity credit" (or such similar nomenclature then used by such Rating Agency) criteria of such Rating Agency, which amendment, clarification or change has occurred after the Relevant Rating Date, (a) all or any of the Securities are no longer eligible for the same or a higher amount of equity credit attributed to the Securities on the Relevant Rating Date or (b) the period of time during which such Rating Agency assigns to the Securities a particular level of equity credit will be shortened as compared to the period of time for which such Rating Agency had assigned to the Securities that level of equity credit on the Relevant Rating Date; or

(ii) following a Refinancing Event, the Securities would no longer have been eligible (had such Refinancing Event not occurred), due to an amendment, clarification or change in the "equity credit" (or such similar nomenclature then used by such Rating Agency) criteria, for the same or a higher amount of equity credit attributed to the Securities on the Relevant Rating Date.

Accounting Event:

An Accounting Event shall occur if, as a result of a change in the accounting practices or principles applicable to the Issuer (or a change in the interpretation thereof), which currently are the international accounting standards (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board (IASB), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), adopted by the European Union pursuant to Regulation (EC) 1606/2002 (IFRS), or any other accounting standards that may replace IFRS which becomes effective or applicable on or after the Issue Date (a "**Change**"), the obligations of the Issuer in respect of the Securities following the official adoption of such Change, which may fall before the date on which the

	Change will come into effect, can no longer be fully recorded as "equity" (*strumento di capitale*), in accordance with accounting practices or principles applicable to the Issuer at the time of the next Financial Statements (following such Change), and a recognised accountancy firm of international standing, acting upon instructions of the Issuer, has delivered an opinion, letter or report addressed to the Issuer to that effect.
Substantial Repurchase Event:	A Substantial Repurchase Event shall be deemed to have occurred if, prior to the giving of the relevant notice of redemption, at least 75 per cent. of the aggregate principal amount of the Securities issued (including any Securities which, pursuant to Condition 15 (*Further Issues*), form a single series with the Securities issued) has been purchased by or on behalf of the Issuer or a Subsidiary and has been cancelled.
Purchases:	The Issuer or any of its Subsidiaries may at any time purchase Securities (provided that all unmatured Coupons appertaining to the Securities are purchased with the Securities) in any manner and at any price. Such Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to the Fiscal Agent for cancellation.
Exchange or variation:	Following a Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or an Accounting Event and having satisfied the relevant conditions that would entitle the Issuer to redeem the Securities pursuant to Condition 6 (*Redemption and Purchase*), the Issuer may, subject to a number of further conditions: (i) exchange the Securities for new securities (to the extent permitted by applicable laws and regulations) (such new securities, the "**Exchanged Securities**"), or (ii) vary the terms of the Securities (the Securities, as so varied, the "**Varied Securities**"), so that immediately following such exchange or variation no Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event applies in respect of the Exchanged Securities or, as applicable, the Varied Securities.
Gross-up:	The Issuer will pay to the Securityholders and the Couponholders such additional amounts as will be necessary in order that the net amounts received by the Securityholders and Couponholders after withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature in any Tax Jurisdiction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Securities or, as the case may be, Coupons in the absence

	of such withholding or deduction, subject to customary exceptions, as provided under Condition 9 (*Taxation*).
Meetings of Securityholders:	The Terms and Conditions of the Securities and the Agency Agreement contain provisions for convening meetings of Securityholders to consider any matter affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.
Events of default:	There are no events of default in relation to the Securities. On the Liquidation Event Date, the Securities will become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued but unpaid up to (but excluding) the Liquidation Event Date and outstanding Arrears of Interest (if any).
Governing law:	English law, except for Condition 3 (*Status and Subordination*), which is governed by Italian law, and save that Condition 14 (*Meetings of Securityholders; Securityholders' Representative; Modification*) and the provisions of the Agency Agreement concerning the meetings of Securityholders are subject to compliance with mandatory provisions of Italian law.
Selling restrictions:	There are restrictions on the offer, sale and transfer of the Securities in the United States, the EEA (including, for these purposes, without limitation, Belgium and the Republic of Italy), the United Kingdom, Japan, Singapore and such other restrictions as may be required in connection with the offering and sale of the Securities. See "*Subscription and Sale*".
Listing and admission to trading:	Application has also been made to Euronext Dublin for the Securities to be admitted to trading on its regulated market and to be listed on its Official List.
Use of proceeds:	The net proceeds of the issue of the Securities will be used by the Issuer for general corporate purposes.
Risk factors:	There are certain factors that are material risks specific to the Issuer and may affect the Issuer's ability to fulfil its obligations under the Securities, including regulatory risks, risks related to the business activities and industries of the Issuer and the Group and financial risks. In addition, there are certain factors that are material risks specific to the Securities and material for the purpose of assessing the market risks associated with the Securities, including risks related to the structure of the Securities, risks relating to the taxation and accounting treatment of the Securities, risks relating to the Securities generally and risks related to the market generally. These are set out under "*Risk Factors*".

Intention regarding redemption and repurchase of the Securities:

The following does not form a part of the Terms and Conditions of the Securities:

The Issuer intends (without thereby assuming a legal obligation) that it will redeem or repurchase the Securities only to the extent that the part of the aggregate principal amount of the Securities to be redeemed or repurchased which was assigned "equity credit" (or such similar nomenclature used by S&P from time to time) at the time of the issuance of the Securities does not exceed such part of the net proceeds received by the Issuer (or by any Subsidiary of the Issuer) prior to the date of such redemption or repurchase from the sale or issuance of securities by the Issuer (or by such Subsidiary) to third party purchasers (other than group entities of the Issuer) which was assigned by S&P "equity credit" (or such similar nomenclature used by S&P from time to time) at the time of sale or issuance of such securities (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities), unless:

(a) the rating (or such similar nomenclature then used by S&P) assigned by S&P to the Issuer is at least equal to the rating assigned to the Issuer on the date of the most recent hybrid security issuance (excluding any refinancing without net new issuance) which was assigned by S&P an "equity credit" similar to the Securities and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or

(b) in the case of a repurchase and/or redemption of the Securities taken together with other repurchases or redemptions of hybrid securities of the Issuer (as the case may be) which are less than (a) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 10 consecutive years, or

(c) the Securities are redeemed pursuant to a Change of Control Step-Up Event, a Tax Deductibility Event, a Withholding Tax Event, an Accounting Event, a Substantial Repurchase Event or a Rating Methodology Event; or

(d) the Securities are not assigned an "equity credit" by S&P (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase; or

(e) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Securities which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its then prevailing methodology; or

(f) such redemption or repurchase occurs on or after the Reset Date falling on 23 April 2050.

INFORMATION INCORPORATED BY REFERENCE

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

1. selected sections from the base prospectus dated 16 July 2024 relating to the Issuer's €4,000,000,000 Euro Medium Term Note Programme (the "**Base Prospectus**");
2. selected sections from the first supplement dated 13 September 2024 to the Base Prospectus (the "**First Supplement**");
3. the 2023 Annual Financial Statements and selected sections from the Director's report at 31 December 2023, all contained in the Issuer's 2023 Annual Report;
4. the 2022 Annual Financial Statements and selected sections from the Director's report at 31 December 2022, all contained in the Issuer's 2022 Annual Report;
5. the 2024 Half-Yearly Financial Statements and selected sections from the Director's report at 30 June 2024, all contained in the Issuer's 2024 Half-Yearly Report; and
6. the Q3 2024 Quarterly Financial Information and selected sections from the Director's report at 30 September 2024, all contained in the Issuer's Q3 2024 Quarterly Report,

in the case of 3 to 5 above, together with the accompanying notes and auditors' reports.

The annual financial statements and interim financial statements and 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 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:

- Base Prospectus:

  https://www.gruppoiren.it/content/dam/iren/documents/it/investitori/profilo-finanziario/programma-emtn/2024/Iren%20MTN%202024%20-%20Base%20Prospectus%20(FINAL).pdf

- First Supplement:

  https://www.gruppoiren.it/content/dam/iren/documents/en/investors/emtn-program/2024/IREN_EMTN_-_First_Supplement_to_the_2024_Prospectus.pdf

- 2023 Annual Report:

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

- 2022 Annual Report:

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

- 2024 Half-Yearly Report:

  https://www.gruppoiren.it/content/dam/iren/documents/en/investors/result-center/2024/6m/Relazione%20Finanziaria%20Semestrale%2030.06.2024_ENG_DEF.pdf?view=yes/

- Q3 2024 Quarterly Report:

  https://www.gruppoiren.it/content/dam/iren/documents/en/investors/result-center/2024/9m/Relazione%20Trimestrale%20Consolidata%2030.09.2024_def_ENG.pdf

In addition, the Issuer will provide, without charge to each person to whom a copy of this 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 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 Prospectus.

Cross-reference list

The following table shows where the information incorporated by reference in this 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 Prospectus and is either not relevant or covered elsewhere in this Prospectus.

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TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the terms and conditions of the Securities, which will be endorsed on each Security in definitive form. The terms and conditions applicable to any Security in global form will differ from those terms and conditions which would apply to Securities in definitive form to the extent described in the section of this Prospectus entitled "Summary of Provisions relating to the Securities in Global Form".

The €500,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities (the "**Securities**", which expression includes any further Securities issued pursuant to Condition 15 (*Further Issues*) and forming a single series therewith) of Iren S.p.A. (the "**Issuer**") are the subject of an agency agreement dated 23 January 2025 (as may be amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer and The Bank of New York Mellon, as fiscal agent and agent bank (in such capacities, respectively, the "**Fiscal Agent**" and the "**Agent Bank**") and as paying agent (in such capacity, the "**Paying Agent**" and, together with the Fiscal Agent, the "**Paying Agents**"). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Securities (the "**Securityholders**") and the holders of the related interest coupons (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 by Securityholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

1. Definitions and Interpretation

(a) ***Definitions***

In these Conditions:

an "**Accounting Event**" shall occur if, as a result of a change in the accounting practices or principles applicable to the Issuer (or a change in the interpretation thereof), which currently are the international accounting standards (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS) issued by the International Accounting Standards Board (IASB), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), adopted by the European Union pursuant to Regulation (EC) 1606/2002 (IFRS), or any other accounting standards that may replace IFRS which becomes effective or applicable on or after the Issue Date (a "**Change**"), the obligations of the Issuer in respect of the Securities following the official adoption of such Change, which may fall before the date on which the Change will come into effect, can no longer be fully recorded as "equity" (*strumento di capitale*), in accordance with accounting practices or principles applicable to the Issuer at the time of the next Financial Statements (following such Change), and a recognised accountancy firm of international standing, acting upon instructions of the Issuer, has delivered an opinion, letter or report addressed to the Issuer to that effect;

"**Accrual Period**" has the meaning given to it in Condition 4(d) (*Amount of Interest*);

"**Additional Amounts**" has the meaning given to it in Condition 9(a) (*Gross-up*);

"**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 Securityholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"Agent" means the Fiscal Agent, the Agent Bank and each of the Paying Agents (each as defined above);

"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 5(c) (*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 Euro and with an interest period of a comparable duration to the relevant Reset Period; 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;

"**Arrears of Interest**" has the meaning given to it in Condition 4(e)(i) (*Optional interest deferral*);

"**Benchmark Amendments**" has the meaning given to it in Condition 5(e) (*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 date on or prior to the next Reset Interest Determination Date (a "**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 Securities; 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 Future Date, become unlawful for the Agent Bank to calculate any payments due to be made to any Securityholder 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;

"**Benchmark 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, as amended and/or supplemented from time to time;

"**Business Day**" means:

(i) in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place; or

(ii) in the case of payment by credit or transfer to a Euro account, a TARGET Settlement Day;

"**Calculation Amount**" means €1,000 in principal amount of Securities;

"**Calculation Date**" means the third Business Day preceding the Make-Whole Redemption Date;

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,

and, for these purposes, "**acting in concert**" means any event or circumstance whereby, pursuant to an agreement, arrangement or understanding (whether formal or informal), 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;

a "**Change of Control Step-Up Event**" will be deemed to have occurred 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 "**Compulsory Arrears of Interest Settlement Event**" shall occur if:

(i) a dividend (either interim or final) or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Securities, except where (A) such dividend was paid in the form of the issuance (or transfer from treasury) of ordinary shares; (B) such dividend,

other distribution or payment was required to be resolved on, declared, paid or made in respect of any stock option plans or employees' share schemes; or (C) such dividend, other distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities (including, for the avoidance of doubt, where such dividend, other distribution or payment was declared by the Issuer before the earliest notice given by the Issuer in respect of the then outstanding Arrears of Interest); or

(ii) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Parity Securities, except where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Parity Securities (including, without limitation, where any such payment occurs mandatorily at the maturity of such Parity Securities and, for the avoidance of doubt, where such dividend, other distribution or payment was declared by the Issuer before the earliest notice given by the Issuer in respect of the then outstanding Arrears of Interest); or

(iii) the Issuer or any Subsidiary has repurchased, purchased, redeemed or otherwise acquired any Junior Securities, except where (A) such repurchase, purchase, redemption or acquisition was undertaken in connection with the satisfaction by the Issuer or any Subsidiary of its respective obligations under (1) any share buy-back programme existing at the Issue Date or (2) any stock option plan, free share allocation plan or share buy-back programme reserved exclusively for Directors, officers and/or employees of the Issuer (or, as applicable, its Subsidiary) or any associated hedging transaction or (B) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities; or

(iv) the Issuer or any Subsidiary has repurchased, purchased, redeemed or otherwise acquired any Parity Securities, except where (A) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Securities (including, without limitation, where any such payment occurs mandatorily at the maturity of such Parity Securities) or (B) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value; or

(v) the Issuer or any Subsidiary has, directly or indirectly, repurchased any of the Securities, except where such repurchase is effected, in whole or in part, as a public tender offer or public exchange offer at a purchase price per Security which is below its par value,

except that a Compulsory Arrears of Interest Settlement Event shall not occur pursuant to paragraph (ii) above in respect of any *pro rata* payment of deferred or arrears of interest on any Parity Securities which is made simultaneously with a *pro rata* payment of any Arrears of Interest, *provided that* such *pro rata* payment of deferred or arrears of interest on a Parity Security is not proportionately more than the *pro rata* settlement of any such Arrears of Interest;

"**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;

"**Decree No. 917**" means Italian Presidential Decree No. 917 of 22 December 1986, as amended, supplemented and/or re-enacted from time to time;

"**Deferral Notice**" has the meaning given to it in Condition 4(e)(i) (*Optional interest deferral*);

"**Deferred Interest Payment**" has the meaning given to it in Condition 4(e)(i) (*Optional interest deferral*);

"**Determination Period**" has the meaning given to it in Condition 4(d) (*Amount of interest*);

"**Director**" means a member of the Board of Directors of the Issuer;

"**Early Redemption Date**" means the date of redemption of the Securities pursuant to Conditions 6(d) (*Early Redemption following a Change of Control Step-Up Event*) to 6(h) (*Redemption following an Accounting Event*) and Condition 6(j) (*Purchases and Substantial Repurchase Event*);

"**Early Redemption Price**" will be, at any time and upon the occurrence of the relevant event referred to in limbs (i) and (ii) below, the amount determined by the Agent Bank on the Redemption Calculation Date as follows:

(i) in the case of a Change of Control Step-Up Event, a Withholding Tax Event or a Substantial Repurchase Event, 100 per cent. of the principal amount of the Securities then outstanding; or

(ii) in the case of an Accounting Event, a Tax Deductibility Event or a Rating Methodology Event, either:

  (A) 101 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls prior to the First Par Call Date; or

  (B) 100 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls on or after the First Par Call Date,

and in each case together with any accrued but unpaid interest up to, but excluding, the relevant Early Redemption Date and outstanding Arrears of Interest (if any);

"**equity credit**" shall include such other nomenclature as any Rating Agency may use from time to time to describe the degree to which an instrument exhibits the characteristics of an ordinary share;

"**EUR 5 year Swap Rate**" has the meaning given to it in Condition 4(b) (*Determination of EUR 5 year Swap Rate*);

"**EUR 5 year Swap Rate Quotation**" means, in relation to any Reset Period, 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 which (i) has a term of 5 years commencing on the relevant Reset Interest Determination Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);

"**EURIBOR**" means the Euro-zone interbank offered rate;

"**Euronext Dublin**" means the Irish Stock Exchange plc, trading as Euronext Dublin;

"**EUR Reset Reference Bank Rate**" means the percentage rate determined by the Agent Bank on the basis of the EUR 5 year Swap Rate Quotations provided by the EUR Reset Reference Banks to the Issuer and notified to the Agent Bank at approximately 11:00 a.m. (CET) on the relevant Reset Interest Determination Date;

"**EUR Reset Reference Banks**" means five major banks in the Euro-zone interbank market selected by the Issuer;

"**EUR Reset Screen Page**" means the Thomson Reuters screen "ICESWAP2 / EURSFIXA" (or such other page as may replace it on Thomson Reuters or, as the case may be, on such other information service that may replace Reuters providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the EUR 5 year Swap Rate);

"**Exchanged Securities** has the meaning given to it in Condition 7(a) (*Right of exchange or variation*);

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

"**Financial Statements**" means either of:

(i) the audited annual consolidated financial statements of the Issuer; or

(ii) the condensed half-year consolidated financial statements of the Issuer which are subject to a formal ''review'' from an independent auditor,

in each case prepared in accordance with IFRS or any successor accounting standards applicable to the Issuer;

"**First Interest Payment Date**" means 23 April 2025;

"**First Par Call Date**" means 23 January 2030;

"**First Reset Date**" means 23 April 2030;

"**Fitch**" means Fitch Ratings Ireland Limited;

"**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, in each case appointed by the Issuer under Condition 5(a) (*Independent Reference Rate Adviser*);

"**Insolvency Proceedings**" means any insolvency proceedings (*procedura concorsuale*) or proceedings equivalent or analogous thereto under the laws of any applicable jurisdiction, including, but not limited to, judicial liquidation (*liquidazione giudiziale*), composition with creditors (*concordato preventivo*) (including *concordato preventivo con riserva* pursuant to Article 44 of the Italian Business Crisis and Insolvency Code), composition with creditors in the judicial liquidation (*concordato nella liquidazione giudiziale*), compulsory administrative liquidation (*liquidazione coatta amministrativa*), extraordinary administration for large companies (*amministrazione straordinaria delle grandi imprese insolventi*) pursuant to Legislative Decree No. 270 of 8 July 1999, extraordinary administration for the industrial restructuring of large insolvent companies (*amministrazione straordinaria per la ristrutturazione industrial delle grandi imprese insolventi*) pursuant to Law Decree No. 347 of 23 December 2003, debt restructuring agreements (*accordo di ristrutturazione dei debiti*), reorganisation plans (*piani attestati di risanamento*), negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) pursuant to Chapter I, Title II of the Italian Business Crisis and Insolvency Code, simplified composition with creditors for the liquidation of the assets (*concordato semplificato per la liquidazione del patrimonio*) pursuant to Article 25-*sexies* of the Italian Business Crisis and Insolvency Code, restructuring plan subject to homologation (*piano di ristrutturazione soggetto a omologazione*) pursuant to Article 64-*bis* of the Italian Business Crisis and Insolvency Code, the undertaking of any court-approved restructuring with creditors or the making of any application (or filing of documents with a court) for the appointment of an administrator, liquidator or other receiver (*curatore*), manager administrator (*commissario straordinario* or *commissario liquidatore*) or other similar official, under any applicable law;

"**Interest Payment Date**" means 23 April in each year, commencing on, and including, the First Interest Payment Date;

"**Interest Period**" means the period from (and including) the Issue Date to (but excluding) the First Interest Payment Date and each subsequent period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date, ending on the date of any redemption or repurchase pursuant to Condition 6 (*Redemption and Purchase*);

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

(i) in the case of Fitch and S&P, the range from and including AAA to and including BBB-; or

(ii) in the case of Moody's, the range from and including Aaa to and including Baa3,

in each case, any equivalent successor category;

"**Issue Date**" means 23 January 2025;

"**Italian Business Crisis and Insolvency Code**" means Italian Legislative Decree No. 14 of 2019, as amended from time to time;

"**Junior Securities**" means:

(i) the ordinary shares (*azioni ordinarie*) of the Issuer;

(ii) any other class of the Issuer's share capital (including savings shares (*azioni di risparmio*) and preferred shares (*azioni privilegiate*)) (if any); and

(iii) any securities:

(A) of the Issuer (including so-called *strumenti finanziari partecipativi* issued under Article 2346, paragraph 6 of the Italian Civil Code); and

(B) issued by a company other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer,

which securities (in the case of (A)) or guarantee or similar instrument (in the case of (B)) rank or are expressed to rank *pari passu* with the claims described under (i) and (ii) above and/or junior to the Securities;

"**Liquidation Event Date**" has the meaning given to it in Condition 6(a) (*No fixed redemption*);

"**Make-Whole Margin**" means 0.35 per cent. per annum;

"**Make-Whole Redemption Amount**" means the amount which is equal to (i) the greater of (a) the principal amount of the Securities and (b) the sum of the then present values of the remaining scheduled payments of principal and interest on the Securities (determined on the basis of redemption of the Securities at their principal amount on the First Par Call Date, and excluding any interest accrued up to (but excluding) the Make-Whole Redemption Date and any outstanding Arrears of Interest) discounted to the Make-Whole Redemption Date on an annual basis at a discount rate equal to the Make-Whole Redemption Rate plus the Make-Whole Margin, plus (ii) any interest accrued but unpaid up to (but excluding) the Make-Whole Redemption Date and outstanding Arrears of Interest (if any), all as determined by the Make-Whole Reference Dealers;

"**Make-Whole Redemption Date**" the date fixed for redemption of Securities specified in the notice given by the Issuer to redeem the Securities pursuant to Condition 6(c) (*Make-whole redemption at the option of the Issuer*);

"**Make-Whole Redemption Rate**" means (a) the mid-market yield to maturity of the Make-Whole Reference Security which appears on the relevant Make-Whole Screen Page at 11:00 a.m. (Central European Time) on the Calculation Date or (b) to the extent that the mid-market yield to maturity does not appear on the relevant Make-Whole Screen Page at such time, the arithmetic average of the number of quotations given by the Reference Dealers to the Issuer of the mid-market yield to maturity of the Make-Whole Reference Security at or around 11:00 a.m. (Central European Time) on the Calculation Date;

"**Make-Whole Reference Dealers**" means five major investment banks or financial institutions that are primary dealers in securities that are substantially analogous to the Make-Whole Reference Security or market makers in pricing such securities, as may be selected by the Issuer;

"**Make-Whole Reference Security**" means Bund DBR 0% 02/15/30 (ISIN DE0001102499), *provided that*, if a Make-Whole Reference Security is no longer outstanding, a Similar Security will be chosen by the Reference Dealers at 11:00 a.m. (Central European Time) on the Calculation Date, quoted in writing by the Reference Dealers to the Issuer and published in accordance with Condition 16 (*Notices*), and such Similar Security shall replace the previous Make-Whole Reference Security for the purposes of determination of the Make-Whole Redemption Amount;

"**Make-Whole Screen Page**" means the Bloomberg HP page for the Make-Whole Reference Security (using the settings "Mid YTM" and "Daily" with price source "Bloomberg Generic") or any successor or replacement page (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the 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 the mid-market yield to maturity for the Make-Whole Reference Security;

"**Mandatory Settlement Date**" means the earliest of:

(i) the tenth Business Day following the date on which a Compulsory Arrears of Interest Settlement Event occurs;

(ii) following any Deferred Interest Payment, the next scheduled Interest Payment Date on which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and

(iii) the date on which the Securities are redeemed or repaid in accordance with Condition 6 (*Redemption and Purchase*) or become due and payable in accordance with Condition 10 (*Enforcement and Limitation on Remedies*), including at the Liquidation Event Date (unless otherwise required by mandatory provisions of applicable law);

"**Mid-Swap Benchmark Rate**" means the annual mid-swap rate referred to in the definition of EUR 5 year Swap Rate in Condition 4(b) (*Determination of EUR 5 year Swap Rate*);

"**Mid-Swap Floating Leg Benchmark Rate**" means the 6-month EURIBOR rate referred to in paragraph (iii) of the definition of EUR 5 year Swap Rate Quotation used in the determination of the EUR Reset Reference Bank Rate;

"**Moody's**" means Moody's France S.A.S.;

"**Original Reference Rate**" means the Mid-Swap Benchmark Rate and/or the Mid-Swap Floating Leg Benchmark Rate, as applicable in accordance with these Conditions;

"**Par Call Date**" means:

(i) any date during the period commencing on (and including) the First Par Call Date and ending on (and including) the First Reset Date; and

(ii) any Interest Payment Date thereafter;

"**Parity Securities**" means:

(i) any securities or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* with the Issuer's obligations under the Securities; and

(ii) any securities or other instruments issued by a company or entity other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which guarantee or similar instrument ranks or is expressed to rank *pari passu* with the Issuer's obligations under the Securities;

"**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: 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 (i) assumes liability as principal debtor in respect of the Securities and (ii) 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);

"**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;

"**Prevailing Interest Rate**" means the rate of interest payable on the Securities applicable from time to time pursuant to Condition 4 (*Interest*);

"**Rating Agency**" means:

(i) for the purposes of a Change of Control Step-Up Event, any credit rating agency which is established in the European Economic Area and registered under Regulation (EC) No. 1060/2009; or

(ii) any of Fitch, Moody's or S&P, or any other rating entity belonging to the same group that replaces Fitch, Moody's or S&P as the entity from time to time issuing the solicited rating on the Securities or any of their respective successors to the rating business thereof;

"**Rating Agency Confirmation**" means a written confirmation from a Rating Agency which has assigned ratings to the Issuer on a basis sponsored by the Issuer which is either received by the Issuer directly from the relevant Rating Agency or indirectly via publication by such Rating Agency;

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 Securities 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, BB+ to BB or 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;

a "**Rating Methodology Event**" shall be deemed to have occurred if the Issuer has received a Rating Agency Confirmation stating that:

(i) due to an amendment to, clarification of or change in the "equity credit" (or such similar nomenclature then used by such Rating Agency) criteria of such Rating Agency, which amendment, clarification or change has occurred after the Relevant Rating Date, (A) all or any of the Securities are no longer eligible for the same or a higher amount of equity credit attributed to the Securities on the Relevant Rating Date or (B) the period of time during which such Rating Agency assigns to the Securities a particular level of equity credit will be shortened as compared to the period of time for which such Rating Agency had assigned to the Securities that level of equity credit on the Relevant Rating Date; or

(ii) following a Refinancing Event, the Securities would no longer have been eligible (had such Refinancing Event not occurred), due to an amendment, clarification or change in the "equity

credit" (or such similar nomenclature then used by such Rating Agency) criteria, for the same or a higher amount of equity credit attributed to the Securities on the Relevant Rating Date;

"**Redemption Calculation Date**" means the fourth Business Day prior to the relevant Early Redemption Date;

"**Refinancing Event**" means the refinancing, in whole or in part, of the Securities following the Relevant Rating Date and, as a result of such refinancing, the Securities having become eligible for a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Securities by such Rating Agency on the Relevant Rating Date;

"**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 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 Securityholders;

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

(i) the European Central Bank, 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 European Central Bank, (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 Rating Date**" means the Issue Date or, if later, the date on which the Securities are assigned equity credit by the relevant Rating Agency for the first 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 redemption provisions of the Securities or the dates on which interest is payable on them, to reduce or cancel the principal amount of, or interest on, the Securities, or to change the currency of payment of the Securities), *provided that* no modification of the Securities falling within the scope of Condition 5 (*Benchmark Discontinuation*) shall be considered a Reserved Matter or otherwise a matter requiring Securityholder approval;

"**Reset Date**" means the First Reset Date and each date falling on the fifth anniversary thereafter;

"**Reset Interest Determination Date**" means, in respect of any Reset Period, the day falling two Business Days prior to the beginning of the relevant Reset Period;

"**Reset Period**" means each period from and including the First Reset Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date;

"**S&P**" means S&P Global Ratings Europe Limited;

"**Similar Security**" means a reference security or reference securities issued by the same issuer as the Make-Whole Reference Security having actual or interpolated maturity comparable with the remaining term of the Securities that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the First Par Call Date;

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

a "**Substantial Repurchase Event**" shall be deemed to have occurred if, prior to the giving of the relevant notice of redemption, at least 75 per cent. of the aggregate principal amount of the Securities issued (including any Securities which, pursuant to Condition 15 (*Further Issues*), form a single series with the Securities issued) has been purchased by or on behalf of the Issuer or a Subsidiary and has been cancelled;

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

"**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;

a "**Tax Deductibility Event**" shall be deemed to have occurred if, as a result of a Tax Law Change, payments of interest by the Issuer in respect of the Securities are no longer, or within 90 calendar days of the date of any opinion provided by independent legal or tax advisers pursuant to Condition 6(i) (*Further conditions for early redemption*) will no longer be, deductible in whole or in part for Italian corporate income tax purposes (or entitlement to make such deduction shall be materially delayed or reduced), and the Issuer cannot avoid the foregoing by taking reasonable measures available to it. For the avoidance of doubt, a Tax Deductibility Event shall not occur if payments of interest by the Issuer in respect of the Securities are not deductible in whole or in part for Italian corporate income tax purposes solely as a result of general tax deductibility limits set forth by Article 96 of Decree No. 917 as at (and on the basis of the general tax deductibility limits calculated in the manner applicable as at) the Issue Date;

"**Tax Jurisdiction**" means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Securities or Coupons;

"**Tax Law Change**" means: (i) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of a Tax Jurisdiction affecting taxation; (ii) any governmental action affecting taxation or (iii) any amendment to, clarification of, or change in the official position of, or the interpretation by, any competent authority (including, without limitation, an amendment, clarification or change resulting from a publicly available reply to a ruling or a circular letter issued by a governmental competent authority) that differs from the previously generally accepted official position or interpretation resulting from a publicly available reply to a ruling or a circular letter, in each case, by any legislative body, court, governmental authority or regulatory body, which amendment, clarification, change or governmental action is effective, on or after the Issue Date;

"**Varied Securities**" has the meaning given to it in Condition 7(a) (*Right of exchange or variation*); and

a "**Withholding Tax Event**" shall be deemed to have occurred if, following the Issue Date:

(i) as a result of a Tax Law Change, the Issuer has or will become obliged to pay Additional Amounts in respect of the Securities and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(ii) a Person into which the Issuer is merged or to whom it has conveyed, transferred or leased all or substantially all of its assets and who has been substituted in place of the Issuer as principal debtor under the Securities is required to pay Additional Amounts in respect of the Securities and such obligation cannot be avoided by such Person taking reasonable measures available to

it, unless the sole purpose of such a merger, conveyance, transfer or lease would be to permit the Issuer to redeem the Securities.

(b) ***Interpretation***

In these Conditions:

(i) "**outstanding**" has the meaning given to it in the Agency Agreement;

(ii) any reference to the Securities includes (unless the context requires otherwise) any other securities issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Securities;

(iii) any reference to Coupons and Couponholders includes, respectively, unless the context requires otherwise, Talons and the holders of Talons; and

(iv) any reference to the Agents includes any successor appointed from time to time under the Agency Agreement and any reference to the Paying Agents includes any additional paying agents appointed from time to time under the Agency Agreement.

2. Form, Denomination and Title

The Securities are in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 with Coupons and a Talon attached at the time of issue. Securities of one denomination will not be exchangeable for Securities of another denomination. Title to the Securities and the Coupons will pass by delivery. The holder of any Security 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 the Securities under the Contracts (Rights of Third Parties) Act 1999.

3. Status and Subordination

(a) ***Status***

The Securities and the Coupons, including the obligations of the Issuer in respect of any Arrears of Interest, constitute direct, unsecured and subordinated obligations of the Issuer and rank and will rank at all times *pari passu* without any preference among themselves and with the Issuer's payment obligations in respect of any Parity Securities. The Securities constitute *obbligazioni* pursuant to Articles 2410 *et seq*. of the Italian Civil Code. The obligations of the Issuer in respect of the Securities and the Coupons are subordinated as described in Condition 3(b) (*Subordination*).

(b) **Subordination**

The obligations of the Issuer to make payment in respect of principal and interest on the Securities and the Coupons, including its obligations in respect of any Arrears of Interest, will, in the event of the winding-up, insolvency, dissolution or liquidation of the Issuer, rank:

(i) senior only to the Issuer's payment obligations in respect of any Junior Securities;

(ii) *pari passu* among themselves and with the Issuer's payment obligations in respect of any Parity Securities; and

(iii) junior to all other payment obligations of the Issuer, present and future, whether subordinated (including any claims pursuant to Article 2411, first paragraph, of the Italian Civil Code) or unsubordinated,

in each case except as otherwise required by mandatory provisions of applicable law.

Nothing in this Condition 3(b) or Condition 10 (*Enforcement and Limitation on Remedies*) shall affect or prejudice the payment of costs, charges, expenses, liabilities or remuneration of any Agent or the rights and remedies of the Agents in respect thereof.

(c) **No Set-off**

To the extent and in the manner permitted by applicable law, no Securityholder or Couponholder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, the Securities or the Coupons and each Securityholder and Couponholder will, by virtue of his holding of any Security or Coupon, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention. The Issuer may not set off any claims it may have against the Securityholders against any of its obligations under the Securities or the Coupons, including its obligations in respect of any Arrears of Interest.

4. Interest

(a) ***Interest rates and payment dates***

Unless previously redeemed or repurchased and cancelled in accordance with these Conditions and subject to the further provisions of this Condition 4, the Securities will bear interest on their principal amount as follows:

(i) from (and including) the Issue Date to (but excluding) the First Reset Date, at the rate of 4.50 per cent. per annum, payable annually in arrear on each Interest Payment Date, commencing on the First Interest Payment Date; and

(ii) from (and including) the First Reset Date to (but excluding) the date of any redemption or repurchase pursuant to Condition 6 (*Redemption and Purchase*), at, in respect of each Reset Period, the relevant EUR 5 year Swap Rate plus:

(A) in respect of the Reset Period commencing on the First Reset Date and ending on but excluding the Reset Date falling on 23 April 2035 (the "**First Reset Period**"), 2.212 per cent. per annum;

(B) in respect of the Reset Periods commencing on or after 23 April 2035 and ending on but excluding the Reset Date falling on 23 April 2050, 2.462 per cent. per annum; and

(C) in respect of the Reset Period commencing on 23 April 2050 and any Reset Period thereafter, 3.212 per cent. per annum,

all as determined by the Agent Bank, payable annually in arrear on each Interest Payment Date, commencing on the First Interest Payment Date.

(b) ***Determination of EUR 5 year Swap Rate***

(i) For the purposes of these Conditions, the relevant "**EUR 5 year Swap Rate**", in respect of a Reset Period, shall be the annual mid-swap rate as displayed on the EUR Reset Screen Page as at 11:00 a.m. (CET) on the relevant Reset Interest Determination Date.

(ii) If the relevant EUR 5 year Swap Rate does not appear on the EUR Reset Screen Page on the relevant Reset Interest Determination Date (other than as a result of a Benchmark Event), the Issuer shall request each of the EUR Reset Reference Banks to provide it and the Agent Bank with its EUR 5 year Swap Rate Quotation and the Agent Bank will determine the EUR 5 year Swap Rate as the EUR Reset Reference Bank Rate on the relevant Reset Interest Determination Date.

(iii) If at least three quotations are provided by the EUR Reset Reference Banks, the EUR 5 year Swap Rate will be determined by the Agent Bank on the basis of the arithmetic mean of the quotations provided, 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).

(iv) If only two quotations are provided, the EUR 5 year Swap Rate will be the arithmetic mean of the quotations provided.

(v) If only one quotation is provided, the EUR Reset Reference Bank Rate will be the quotation provided.

(vi) If no quotations are provided, the EUR Reset Reference Bank Rate for the relevant period will be equal to the last available EUR 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the EUR Reset Screen Page as obtained by the Agent Bank.

(c) ***Step-up after Change of Control Step-Up Event***

Notwithstanding any other provision of this Condition 4, if the Issuer does not, following the occurrence of a Change of Control Step-Up Event, elect to redeem the Securities in accordance with Condition 6(d) (*Early redemption following a Change of Control Step-Up Event*), the then Prevailing Interest Rate and each subsequent rate of interest on the Securities otherwise determined in accordance with this Condition 4 shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Step-Up Event occurred.

Without prejudice to the Issuer's right to redeem the Securities in accordance with Condition 6(d) (*Early redemption following a Change of Control Step-Up Event*), following the occurrence of any Change of Control Step-Up Event, this Condition 4(c) shall only apply in relation to the first Change of Control Step-Up Event to occur while any of the Securities remain outstanding.

(d) ***Amount of interest***

The interest payable on each Security on any Interest Payment Date shall be calculated by the Agent Bank by reference to the Calculation Amount. The amount of interest payable per Calculation Amount for any period shall be equal to the product of the Prevailing Interest Rate for the Interest Period ending immediately prior to such Interest Payment Date, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

The day-count fraction will be calculated on the following basis:

(i) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the day-count fraction will be the number of days in the Accrual Period divided by the number of days in such Determination Period; and

(ii) if the Accrual Period is longer than one Determination Period, the day-count fraction will be the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the number of days in such Determination Period; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the number of days in such Determination Period,

where:

"**Accrual Period**" means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last); and

"**Determination Period**" means the period from and including 23 April in any year to but excluding the next 23 April.

(e) ***Deferral of interest***

Subject to the provisions of the following paragraphs, on each Interest Payment Date, the Issuer shall pay interest on the Securities accrued to (but excluding) that date in respect of the Interest Period ending immediately prior to such Interest Payment Date.

(i) *Optional interest deferral*:

The Issuer may, at any time and at its sole discretion, elect to defer in whole, or in part, any payment of interest accrued on the Securities in respect of any Interest Period (a "**Deferred Interest Payment**") by giving notice (a "**Deferral Notice**") of such election to the Securityholders in accordance with Condition 16 (*Notices*) and to each Agent at least 5, but not more than 30, Business Days prior to the relevant Interest Payment Date. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Securities or for any other purpose unless such Arrears of Interest becomes due and payable in accordance with these Conditions.

Any Deferred Interest Payment will be deferred and shall constitute "**Arrears of Interest**". Any Arrears of Interest will remain outstanding until paid in full by the Issuer, but Arrears of Interest shall not themselves bear interest.

(ii) *Optional settlement of Arrears of Interest*:

The Issuer may pay any outstanding Arrears of Interest (in whole or in part) at any time upon giving not less than 10 and not more than 15 Business Days' notice to the Securityholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in such notice) and to each Agent, at least 5, but not more than 30, Business Days prior to the relevant due date for payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

(iii) *Mandatory settlement of Arrears of Interest*:

All (but not some only) of any outstanding Arrears of Interest from time to time in respect of all Securities for the time being outstanding shall become due and payable in full and shall be paid by the Issuer on the first occurring Mandatory Settlement Date.

Notice of the impending occurrence of any Mandatory Settlement Date shall be given to the Securityholders in accordance with Condition 16 (*Notices*) and to each Agent at least 5, but not more than 30, Business Days prior to the relevant Mandatory Settlement Date.

(f) ***Accrual of interest***

Unless previously purchased or redeemed or exchanged and subsequently cancelled, the Securities will cease to bear interest from (and including) the calendar day on which they are due for redemption or exchange, unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the Prevailing Interest Rate until whichever is the earlier of: (a) the date on which all amounts due in respect of the Securities have been paid; and (b) 5 days after the date on which full amount of the moneys payable in respect of the Securities have been received by the Fiscal Agent and notice to that effect has been given to the Securityholders in accordance with Condition 16 (*Notices*).

5. Benchmark Discontinuation

(a) ***Independent Reference Rate Adviser***

If a Benchmark Event occurs in relation to an Original Reference Rate to be used in the determination of the EUR 5 year Swap Rate when the Prevailing Interest Rate (or any component part thereof) remains to be determined by reference to such EUR 5 year Swap Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Reference Rate Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(c) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 5(d) (*Adjustment Spread*)), and any Benchmark Amendments (in accordance with Condition 5(e) (*Benchmark Amendments*)) by no later than 10

Business Days prior to the Reset Interest Determination Date relating to the next Reset Period for which the Prevailing Interest Rate (or any component part thereof) is to be determined by reference to such EUR 5 year Swap Rate.

An Independent Reference Rate Adviser appointed pursuant to this Condition 5 (*Benchmark Discontinuation*) 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 or any Agent, the Securityholders 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 5 (*Benchmark Discontinuation*).

(b) ***Failure to appoint***

If (i) the Issuer is unable to appoint and consult with an Independent Reference Rate Adviser; or (ii) the Independent Reference Rate Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 5(a) (*Independent Reference Rate Adviser*) prior to the date which is 10 Business Days prior to the relevant Reset 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 5(b) prior to the date which is 10 Business Days prior to the relevant Reset Interest Determination Date, then the EUR 5 year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last available EUR 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the EUR Reset Screen Page. For the avoidance of doubt, any adjustment pursuant to this Condition 5(b) shall apply to the immediately following Reset Period only and any subsequent Reset Periods shall be subject to the subsequent operation of, and to adjustment as provided in, Condition 5(a) (*Independent Reference Rate Adviser*).

(c) ***Successor Rate 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 EUR 5 year Swap Rate by reference to which the Prevailing Interest Rate (or the relevant component part thereof) is to be determined for all future payments of interest on the Securities, subject to adjustment as provided in Condition 5(d) (*Adjustment Spread*) and subject to any further operation of this Condition 5 (*Benchmark Discontinuation*) in the event of a further Benchmark Event affecting the Successor Rate or Alternative Rate.

(d) ***Adjustment Spread***

If the Independent Reference Rate Adviser or (in the circumstances set out in Condition 5(b) (*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 the Prevailing Interest Rate (or the relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(e) ***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 5 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 5(h) (*Notification*) but without any requirement for the consent or approval of Securityholders, 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, each Agent shall, subject to Condition 5(g) (*Obligations of Agents*) and 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 5 and no Agent shall be liable to any party for any consequences thereof.

In connection with any such variation in accordance with this Condition 5(e), the Issuer shall comply with the rules of Euronext Dublin or such other stock exchange on which the Securities are for the time being listed or admitted to trading.

Benchmark Amendments may comprise, by way of example, but without limitation, the following amendments: (A) amendments to the definition of "EUR 5 year Swap Rate" or "EUR 5 year Swap Rate Quotation"; (B) amendments to the day-count fraction and the definitions of "Business Day", "Interest Payment Date", "Prevailing Interest Rate", and/or "Interest Period" (including the determination of whether the Alternative Rate will be determined in advance of or prior to the relevant Interest Period or in arrear on or prior to the end of the relevant Interest Period); and/or (C) any application of a business day convention.

(f) ***Amendments affecting equity credit***

Notwithstanding any other provision of this Condition 5 (*Benchmark Discontinuation*), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of "equity credit" assigned to the Securities by any Rating Agency when compared to the "equity credit" assigned to the Securities immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency, (ii) result in shortening of the period of time "equity credit" is assigned / attributed to the Securities by any Rating Agency, or (iii) otherwise prejudice the eligibility of the Securities for "equity credit" from any Rating Agency.

(g) ***Obligations of Agents***

Notwithstanding any other provision of this Condition 5 (*Benchmark Discontinuation*):

(i) none of the Agents shall be obliged to concur with the Issuer in respect of any Benchmark Amendments if, in the opinion of any 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); and

(ii) if in the Agent Bank's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5 (*Benchmark Discontinuation*), the Agent Bank shall promptly notify the Issuer thereof and the Issuer shall direct the Agent Bank in writing as to which alternative course of action to adopt. If the Agent Bank is not promptly provided with such direction or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Agent Bank shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

(h) ***Notification***

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5 (*Benchmark Discontinuation*) will be notified promptly and in any event no later than 10 Business Days prior to the relevant Reset Interest Determination Date by the Issuer to each Agent and, in accordance with Condition 16 (*Notices)*, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(i) ***Survival***

Without prejudice to the obligations of the Issuer under Conditions 5(a) (*Independent Reference Rate Adviser*) to Condition 5(e) (*Benchmark Amendments*), any Original Reference Rate and the fallback provisions provided for in Condition 4(b) (*Determination of EUR 5 year Swap Rate*) will continue to apply in relation to the EUR 5 year Swap Rate and the EUR 5 year Swap Rate Quotation unless and until a Benchmark Event has occurred (as determined by the Issuer).

6. Redemption and Purchase

(a) ***No fixed redemption***

Unless previously redeemed, exchanged or purchased and cancelled as provided below, the Securities will become due and payable at an amount equal to their outstanding principal amount, together with any interest accrued but unpaid up to (but excluding) the Liquidation Event Date (as defined below) and outstanding Arrears of Interest (if any) on the date on which a winding up, dissolution or liquidation of the Issuer (otherwise than for the purposes of a Permitted Reorganisation) is instituted (the "**Liquidation Event Date**"), including in connection with any Insolvency Proceedings, in accordance with (i) any applicable legal provision, or any decision of any judicial or administrative authority, or (ii) any resolution passed at a shareholders' meeting of the Issuer or (iii) any provision which is set out in the by-laws of the Issuer from time to time (including the maturity of the Issuer which, as of the Issue Date, is set in its by-laws at 31 December 2100).

(b) ***Unconditional early redemption***

The Issuer may redeem all (but not some only) of the Securities on any Par Call Date in each case at their principal amount together with any accrued but unpaid interest up to (but excluding) the relevant Par Call Date and any outstanding Arrears of Interest, on giving not less than 10 and not more than 60 calendar days' notice to each Agent and the Securityholders.

(c) ***Make-whole redemption at the option of the Issuer***

The Issuer may redeem all (but not some only) of the Securities on any day prior to the First Par Call Date at the applicable Make-Whole Redemption Amount on giving not less than 10 and not more than 60 calendar days' notice (which notice shall specify the Make-Whole Redemption Date) to each Agent and the Securityholders.

(d) ***Early redemption following a Change of Control Step-Up Event***

If a Change of Control Step-Up Event has occurred, then the Issuer may, upon giving not less than 10 nor more than 60 calendar days' notice to each Agent and the Securityholders and subject to Condition 6(i) (*Further conditions for early redemption*), redeem all (but not some only) of the Securities at any time at the applicable Early Redemption Price.

(e) ***Early Redemption following a Withholding Tax Event***

If a Withholding Tax Event occurs, the Issuer may redeem all of the Securities (but not some only), at any time at the applicable Early Redemption Price and, upon giving not less than 10 and not more than 60 calendar days' notice to each Agent and the Securityholders, subject to Condition 6(i) (*Further conditions for early redemption*) and provided that no such notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Securities then due.

(f) ***Early Redemption following a Tax Deductibility Event***

If a Tax Deductibility Event occurs, the Issuer may redeem all of the Securities (but not some only), at any time at the applicable Early Redemption Price, upon giving not less than 10 and not more than 60 calendar days' notice of redemption to each Agent and the Securityholders, subject to Condition 6(i) (*Further conditions for early redemption*).

(g) ***Early Redemption following a Rating Methodology Event***

If a Rating Methodology Event occurs, the Issuer may redeem all (but not some only) of the Securities at any time at the applicable Early Redemption Price, upon giving not less than 10 and not more than 60 calendar days' notice of redemption to each Agent and the Securityholders, subject to Condition 6(i) (*Further conditions for early redemption*).

(h) ***Early Redemption following an Accounting Event***

If an Accounting Event occurs, the Issuer may redeem all (but not some only) of the Securities, at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days' notice of redemption to each Agent and the Securityholders, subject to Condition 6(i) (*Further conditions for early redemption*). The Issuer may give notice of the redemption of the Securities as a result of the occurrence of an Accounting Event from (and including) the date on which the Change is officially adopted, which may fall before the date on which the Change will come into effect.

(i) ***Further conditions for early redemption***

Prior to giving a notice to each Agent and the Securityholders pursuant to Conditions 6(d) (*Early redemption following a Change of Control Step-Up Event*) to 6(h) (*Early redemption following an Accounting Event*), the Issuer will deliver to the Fiscal Agent:

(i) in the case of a Change of Control Step-Up Event, a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event or an Accounting Event, a certificate signed by an authorised signatory 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 to redeem the Securities in accordance with the relevant Condition have occurred;

(ii) in the case of a Withholding Tax Event, an opinion of independent legal advisers of recognised standing in the Tax Jurisdiction, appointed by the Issuer at its own expense, to the effect that the Issuer has or will become obliged to pay Additional Amounts as a result of (in the case of paragraph (i) of the definition of "Withholding Tax Event") a Tax Law Change or (in the case of paragraph(ii) of the definition of "Withholding Tax Event") the relevant merger, conveyance, transfer or lease;

(iii) in the case of a Tax Deductibility Event, an opinion of an independent legal or tax advisers of recognised standing in the Tax Jurisdiction, appointed by the Issuer at its own expense, to the effect that payments of interest by the Issuer in respect of the Securities are no longer, or within 90 calendar days of the date of that opinion will no longer be, deductible in whole or in part for Italian corporate income tax purposes as a result of a Tax Law Change;

(iv) in the case of a Rating Methodology Event, a copy of the Rating Agency Confirmation relating to the applicable Rating Methodology Event unless the delivery of such Rating Agency Confirmation would constitute a breach of the terms on which such confirmation is delivered to the Issuer; and

(v) in the case of an Accounting Event, a copy of an opinion, letter or report of a recognised accountancy firm of international standing, appointed by the Issuer at its own expense, as set forth in the definition of "Accounting Event".

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the specified office of the Fiscal Agent.

(j) ***Purchases and Substantial Repurchase Event***

The Issuer or any of its Subsidiaries may at any time purchase Securities (provided that all unmatured Coupons appertaining to the Securities are purchased with the Securities) in any manner and at any price. Such Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to the Fiscal Agent for cancellation.

If a Substantial Repurchase Event occurs, the Issuer may redeem all (but not some only) of the outstanding Securities at any time at the applicable Early Redemption Price, subject to the Issuer having given each Agent and the Securityholders not less than 10 and not more than 60 calendar days' notice.

(k) ***Manner and effect of giving notice***

Any notice of early redemption by the Issuer pursuant to this Condition 6 shall be given to Securityholders in accordance with Condition 16 (*Notices*) and, upon being given, shall be irrevocable, following which, upon the expiry of any such notice, the Issuer shall be bound to redeem the Securities in accordance with the terms of the relevant Condition.

(l) ***Cancellation***

All Securities which are (i) redeemed, (ii) exchanged pursuant to Condition 7 (*Exchange or Variation*), or (iii) purchased by the Issuer or any of its Subsidiaries and surrendered to the Fiscal Agent for cancellation, will forthwith be cancelled, together with all unmatured Coupons attached to them, and may not be held, reissued or resold.

7. Exchange or Variation

(a) ***Right of exchange or variation***

If the Issuer determines that a Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or an Accounting Event has occurred and is continuing, and the Issuer is entitled to give notice of early redemption of the Securities pursuant to Condition 6 (*Redemption and Purchase*), having provided the Fiscal Agent with the relevant certificate and opinion, letter or report, or in the case of a Rating Methodology Event only, the Rating Agency Confirmation, referred to in Condition 6(i) (*Further conditions for early redemption*), then the Issuer may, subject to Condition 7(b) (*Conditions for exchange or variation*), without any requirement for the consent or approval of the Securityholders or Couponholders, having given not less than 10 nor more than 60 Business Days' notice to the Agents and, in accordance with Condition 16 (*Notices*), to the Securityholders (which notice shall be irrevocable and shall specify the date for the relevant exchange or, as the case may be, variation of the Securities), as an alternative to an early redemption of the Securities, at any time:

(i) exchange the Securities for new securities (to the extent permitted by applicable laws and regulations) (such new securities, the "**Exchanged Securities**"), or

(ii) vary the terms of the Securities (the Securities, as so varied, the "**Varied Securities**"),

so that immediately following such exchange or variation no Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event applies in respect of the Exchanged Securities or, as applicable, the Varied Securities.

Upon expiry of such notice, the Issuer shall vary the terms of or, as the case may be, exchange (to the extent permitted by applicable laws and regulations) the Securities in accordance with this Condition 7 and, in the case of any exchange, cancel the Securities which have been exchanged for Exchanged Securities.

The Agents shall (at the expense of the Issuer) enter into a supplemental agency agreement with the Issuer (including indemnities satisfactory to each Agent) solely in order to effect the exchange of the Securities, or the variation of the terms of the Securities, *provided that* no Agent shall be obliged to enter into such supplemental agency agreement if the terms of the Exchanged Securities or the Varied Securities would impose, in any Agent's opinion, more onerous obligations upon it or expose it to liabilities or reduce its protections. If an Agent does not enter into such supplemental agency agreement (and such Agent shall have no liability or responsibility to any person if it does not do so), the Issuer may elect to redeem the Securities as provided in Condition 7 (*Redemption and Purchase*).

(b) ***Conditions to exchange or variation***

Any such exchange (to the extent permitted by applicable laws and regulations) or variation shall be subject to the following conditions:

(i) for as long as the Securities are listed on Euronext Dublin or any other stock exchange, the Issuer complying with the rules of the relevant stock exchange (or any other relevant authority) on which the Securities are for the time being admitted to trading, and (for so long as the rules of such exchange require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith, and the Exchanged Securities or Varied Securities continue to be admitted to trading on the same stock exchange as the Securities were admitted to trading immediately prior to the relevant exchange or variation;

(ii) the Issuer providing for the accrual of an amount equal to any Arrears of Interest under the terms of the Exchanged Securities or the Varied Securities (as applicable);

(iii) the Exchanged Securities or Varied Securities shall be issued directly by the Issuer and: (A) rank at least *pari passu* with the ranking of the Securities prior to the exchange or variation; (B) benefit from the same interest rates and the same Interest Payment Dates, the same First Reset Date and early redemption rights (*provided that* the relevant exchange or variation may not itself trigger any early redemption right), a maturity date which shall not be longer than the maturity date of the Issuer as provided from time to time under the relevant by-laws, the same rights to accrued interest or Arrears of Interest and any other amounts payable under the Securities which, in each case, has accrued to the Securityholders and has not been paid, the same rights to principal and interest, and, if publicly rated by a Rating Agency which has provided a solicited rating at the invitation or with the consent of the Issuer immediately prior to such exchange or variation, at least the same credit rating immediately after such exchange or variation by each such Rating Agency, as compared with the relevant solicited rating(s) immediately prior to such exchange or variation (as determined by the Issuer using reasonable measures available to it including discussions with the Rating Agencies to the extent practicable); (C) not contain terms providing for the mandatory deferral or cancellation of interest and (D) not contain terms providing for loss absorption through principal write-down or conversion to shares;

(iv) the terms of the exchange or variation, in the sole opinion of the Issuer (acting reasonably) not being prejudicial to the interests of the Securityholders (as a class), including compliance with (iii) above, as certified to the Fiscal Agent and each Agent by an authorised signatory of the Issuer, having consulted in good faith with an independent financial institution of international repute or an independent financial adviser experienced in the international capital markets, and any such certificate shall be final and binding on all parties;

(v) a legal opinion having been delivered to the Fiscal Agent (copies of which shall be made available to the Securityholders by appointment at the specified offices of the Fiscal Agent during usual office hours or at the Fiscal Agent's option may be provided by email to such holder requesting copies of such documents, subject to the Fiscal Agent being supplied by the Issuer with copies of such documents) from one or more international law firms of good reputation selected by the Issuer and confirming (A) that the Issuer has capacity to assume all rights, duties and obligations under the Exchanged Securities or Varied Securities (as the case may be) and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (B) the legality, validity and enforceability of the Exchanged Securities or Varied Securities;

(vi) the delivery to the Fiscal Agent and each Agent of a certificate signed by an authorised signatory of the Issuer certifying each of the points set out in paragraphs (i) to (v) above.

Each Agent may rely absolutely upon and shall be entitled to accept such certificates and any such opinions, as are referred to in this Condition 7, without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the criteria set out in such paragraphs, in which event it shall be conclusive and binding on the Securityholders and the Couponholders.

8. Payments

(a) ***Principal***

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Securities at the Specified Office of any Paying Agent outside the United States by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.

(b) ***Interest***

Payments of interest shall, subject to Condition 8(f) (*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 8(a) (*Principal*) above.

(c) ***Payments subject to applicable laws***

Payments in respect of principal and interest on the Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471 of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(d) ***Unmatured Coupons void***

Upon the date on which any Security becomes due and repayable, all unmatured Coupons appertaining to the Security (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

(e) ***Payments on business days***

If the due date for payment of any amount in respect of any Security or Coupon is not a 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 Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) ***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 Securities at the Specified Office of any Paying Agent outside the United States.

(g) ***Partial payments***

If a Paying Agent makes a partial payment in respect of any Security or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(h) ***Exchange of Talons***

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 11 (*Prescription*). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

9. Taxation

(a) ***Gross-up***

All payments of principal and interest in respect of the Securities 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 by or on behalf of any Tax Jurisdiction, 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 (the "**Additional Amounts**") as will result in receipt by the Securityholders 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 Security 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 Security or Coupon by reason of its having some connection with the Tax Jurisdiction other than the mere holding of the Security or Coupon; or

(ii) in relation to any payment or deduction of any interest, principal or other proceeds of any Security or Coupon on account of *imposta sostitutiva*, pursuant to 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 Security or Coupon would have been entitled to such additional amounts on presenting such Security or Coupon for payment on the last day of such period of 30 days.

(b) ***Additional Amounts***

Any reference in these Conditions to any amounts in respect of the Securities shall be deemed also to refer to any Additional Amounts which may be payable under this Condition.

10. Enforcement and Limitation on Remedies

(a) ***No events of default***

There are no events of default in relation to the Securities. On the Liquidation Event Date, the Securities will become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued but unpaid up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest.

(b) ***Enforcement on Liquidation Event Date***

On or following the Liquidation Event Date, each Securityholder may, at its sole discretion and without further notice, institute steps in order to obtain a judgment against the Issuer for any amounts due and payable in respect of the Securities, including the institution of Insolvency Proceedings against the Issuer or the filing of a proof of claim and participation in any Insolvency Proceedings or proceedings for the liquidation, dissolution or winding-up of the Issuer (in which Insolvency Proceedings, liquidation, dissolution or winding-up the Securities shall immediately be due and payable at their principal amount together with any accrued but unpaid interest up to (but excluding) the date on which the Securities become so due and payable and any outstanding Arrears of Interest), any such claim under this Condition 10(b) being as provided in, and subordinated in the manner described in Condition 3 (*Status and Subordination*).

(c) ***Limitation on remedies***

No remedy against the Issuer, other than as referred to in this Condition 10, shall be available to the Securityholders and the Couponholders, whether for the recovery of amounts due in respect of the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities or the Coupons.

11. Prescription

The Securities and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within periods of 10 years (in the case of principal) and 5 years (in the case of interest) from the date on which the payments in question first become due in respect of the Securities or, as the case may be, the Coupons. There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue under this Condition or Condition 8 (*Payments*).

12. Replacement of Securities, Coupons and Talons

If any Security, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, subject to all applicable laws and stock exchange 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 Securities, Coupons or Talons must be surrendered before replacements will be issued.

13. Agents

In acting under the Agency Agreement and in connection with the Securities and the Coupons, the 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 Securityholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or agent bank and additional or successor paying agents, *provided, however, that* the Issuer shall at all times maintain (a) a Fiscal Agent and an Agent Bank, (b) for so long as the Securities 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; and (c) a Paying Agent in a jurisdiction within the European Union, other than the Tax Jurisdiction.

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

14. Meetings of Securityholders; Securityholders' Representative; Modification

(a) ***Meetings of Securityholders***

The Agency Agreement contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including, *inter alia*, the modification by Extraordinary Resolution of the Securities, 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 Securityholders' Representative (as defined below) at their discretion and, in any event, upon a request in writing by Securityholder(s) holding not less than one-twentieth of the aggregate principal amount of the outstanding Securities 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 Securityholders holding at least one fifth of the aggregate principal amount of the outstanding Securities; 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 Securityholders holding at least one half of the aggregate principal amount of the outstanding Securities; (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 Securityholders holding more than one third of the aggregate principal amount of the outstanding Securities; or (3) in the case of any subsequent adjourned meeting, there are one or more persons present being or representing Securityholders holding at least one fifth of the aggregate principal amount of the outstanding Securities,

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 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 Securities 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 Securities and (2) one or more persons holding or representing not less than two thirds of the Securities 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 higher majorities.

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

(b) ***Securityholders' Representative***

Pursuant to Articles 2415 and 2417 of the Italian Civil Code, a representative of the Securityholders (*rappresentante comune* or "**Securityholders' Representative**") is appointed, *inter alia*, to represent the interests of Securityholders, such appointment to be made by an Extraordinary Resolution or by an order of a competent court at the request of one or more Securityholders or by the directors of the Issuer. Each such Securityholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

(c) ***Modification***

The Securities, the Coupons and these Conditions may be amended without the consent of the Securityholders 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 Securityholders, 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 Securityholders. In addition, the parties to the Agency Agreement may agree, without the consent of the Securityholders, 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.

15. Further Issues

The Issuer may from time to time, without the consent of the Securityholders or the Couponholders, create and issue further Securities having the same terms and conditions as the Securities in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Securities.

16. Notices

Notices to the Securityholders 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 Securities 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 is 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 Securityholders.

17. Governing Law and Jurisdiction

(a) ***Governing law***

The Securities and any non-contractual obligations arising out of or in connection with the Securities are governed by English law, except for Condition 3 (*Status and Subordination*), which is governed by Italian law, and save that Condition 14 (*Meetings of Securityholders; Securityholders' Representative; Modification*) and the provisions of the Agency Agreement concerning the meetings of Securityholders 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 Securities (including a dispute relating to the existence, validity or termination of the Securities or any non-contractual obligation arising out of or in connection with the Securities) 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 17(b) shall prevent any Securityholder 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 13th Floor, One Angel Court, London EC2R 7HJ 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 Securityholder to serve process in any other manner permitted by law.

There will appear at the foot of the Conditions endorsed on each Security in definitive form the names and Specified Offices of the Agents as set out at the end of this Prospectus.

* * *

The following does not form a part of the Terms and Conditions of the Securities:

The Issuer intends (without thereby assuming a legal obligation) that it will redeem or repurchase the Securities only to the extent that the part of the aggregate principal amount of the Securities to be redeemed or repurchased which was assigned "equity credit" (or such similar nomenclature used by S&P from time to time) at the time of the issuance of the Securities does not exceed such part of the net proceeds received by the Issuer (or by any Subsidiary of the Issuer) prior to the date of such redemption or repurchase from the sale or issuance of securities by the Issuer (or by such Subsidiary) to third party purchasers (other than group entities of the Issuer) which was assigned by S&P "equity credit" (or such similar nomenclature used by S&P from time to time) at the time of sale or issuance of such securities (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities), unless:

(a) the rating (or such similar nomenclature then used by S&P) assigned by S&P to the Issuer is at least equal to the rating assigned to the Issuer on the date of the most recent hybrid security issuance (excluding any refinancing without net new issuance) which was assigned by S&P an "equity credit" similar to the Securities and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or

(b) in the case of a repurchase and/or redemption of the Securities taken together with other repurchases or redemptions of hybrid securities of the Issuer (as the case may be) which are less than (a) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 10 consecutive years, or

(c) the Securities are redeemed pursuant to a Change of Control Step-Up Event, a Tax Deductibility Event, a Withholding Tax Event, an Accounting Event, a Substantial Repurchase Event or a Rating Methodology Event; or

(d) the Securities are not assigned an "equity credit" by S&P (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase; or

(e) in the case of a repurchase, such repurchase relates to an aggregate principal amount of Securities which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its then prevailing methodology; or

(f) such redemption or repurchase occurs on or after the Reset Date falling on 23 April 2050.

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES IN GLOBAL FORM

*The following is a summary of the provisions to be contained in the Temporary Global Security and the Permanent Global Security (together, the "**Global Securities**") which will apply to, and in some cases modify, the Terms and Conditions of the Securities while the Securities are represented by the Global Securities.*

Initial form of Securities

The Securities will initially be in the form of the Temporary Global Security which will be deposited on or around the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg.

Exchange for Permanent Global Security

The Temporary Global Security will be exchangeable in whole or in part for interests in the Permanent Global Security not earlier than 40 days after the Issue Date, upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Security unless exchange for interests in the Permanent Global Security is improperly withheld or refused. In addition, interest payments in respect of the Securities cannot be collected without such certification of non-U.S. beneficial ownership.

Tradeable amounts

So long as the Securities are represented by a Global Security and the relevant clearing system(s) so permit, the Securities will be tradeable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000, up to and including €199,000.

Exchange for Definitive Securities

The Permanent Global Security will become exchangeable in whole, but not in part, for Securities in definitive form ("**Definitive Securities**") in denominations of €100,000 and higher integral multiples of €1,000, up to and including €199,000, at the request of the bearer of the Permanent Global Security: (a) if Euroclear or Clearstream, Luxembourg 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) on the Liquidation Event Date.

Whenever the Permanent Global Security is to be exchanged for Definitive Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Securities, duly authenticated and with Coupons and a Talon attached (in respect of interest which has not already been paid in full on the Permanent Global Security), in an aggregate principal amount equal to the principal amount of the Permanent Global Security to the bearer of the Permanent Global Security against the surrender of the Permanent Global Security to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(i) Definitive Securities have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has duly requested exchange of the Permanent Global Security for Definitive Securities; or

(ii) the Permanent Global Security (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Securities 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 in accordance with the terms of the Permanent Global Security on the due date for payment,

then the Permanent Global Security (including the obligation to deliver Definitive Securities) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (i) above) or at 5.00 p.m. (London time) on such due date (in the case of (ii) above) and the bearer of the Permanent Global Security will have no further rights thereunder, but without prejudice to the rights which the bearer of the Permanent Global Security or others may have under a deed of covenant executed by the Issuer dated 23 January 2025 (the "**Deed of Covenant**"). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in the Permanent Global Security will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global

Security became void, they had been the holders of Definitive Securities in an aggregate principal amount equal to the principal amount of Securities they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg. Copies of the Deed of Covenant are available for inspection by Securityholders during normal business hours at the Specified Offices of each of the Paying Agents.

Modifications to Terms and Conditions of the Securities

In addition, the Global Securities will contain provisions which modify the Terms and Conditions of the Securities as they apply to the Global Securities. The following is a summary of certain of those provisions:

Payments

All payments in respect of the Temporary Global Security and the Permanent Global Security will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Security or (as the case may be) the Permanent Global Security 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 Securities. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Security or (as the case may be) the Permanent Global Security, the Issuer shall procure that the payment is noted on a schedule thereto.

Payments on business days

In the case of all payments made in respect of the Temporary Global Security and the Permanent Global Security, "**Business Day**" means any day which is a TARGET Settlement Day.

Notices

Notwithstanding Condition 16 (*Notices*), while all the Securities are represented by the Permanent Global Security and/or the Temporary Global Security, notices to Securityholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Securityholders in accordance with Condition 16 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg, except that, for so long as such Securities are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin (*https://live.euronext.com*).

USE OF PROCEEDS

The net proceeds of the issue of the Securities, which are estimated to be in the sum of €496,040,000, will be used by the Issuer for general corporate purposes, which may include, *inter alia*, refinancing of existing indebtedness (see "*General Information - Potential conflicts of interest*").

DESCRIPTION OF THE ISSUER

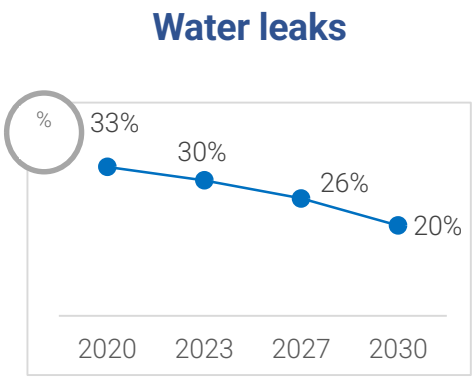
Please refer to the information on the Issuer and the Group incorporated by reference in this Prospectus, as set out in the section entitled "*Documents Incorporated by Reference*".

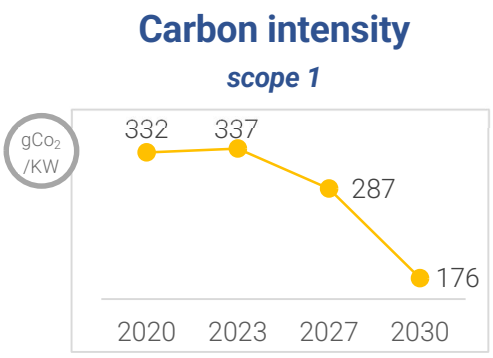
Hereinbelow are certain further information and recent developments relating to the Issuer and the Group.

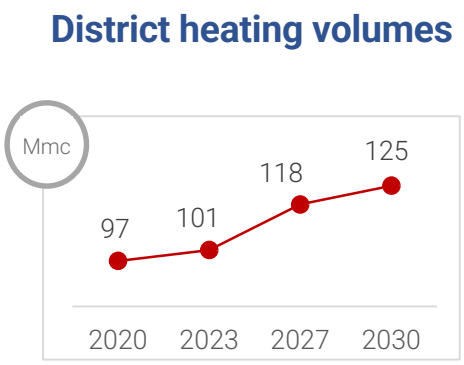
Selected information on sustainability

In relation to the energy sector, with a total of 2.3 million customers as at 30 September 2024, the Group has an electricity generation capacity of 3.4 GW, of which 0.8 GW is from renewables.

The following diagrams set out certain sustainability results and targets of the Group.

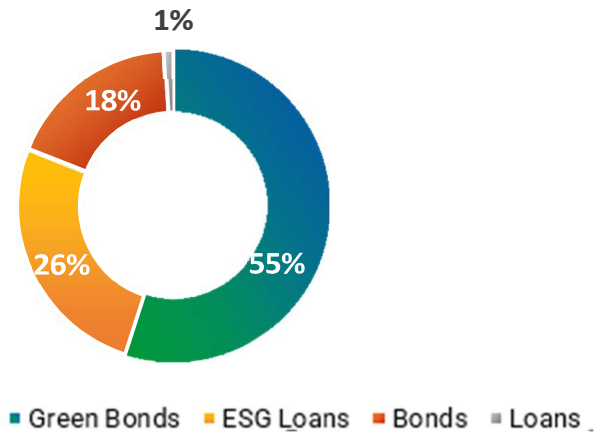






Financing

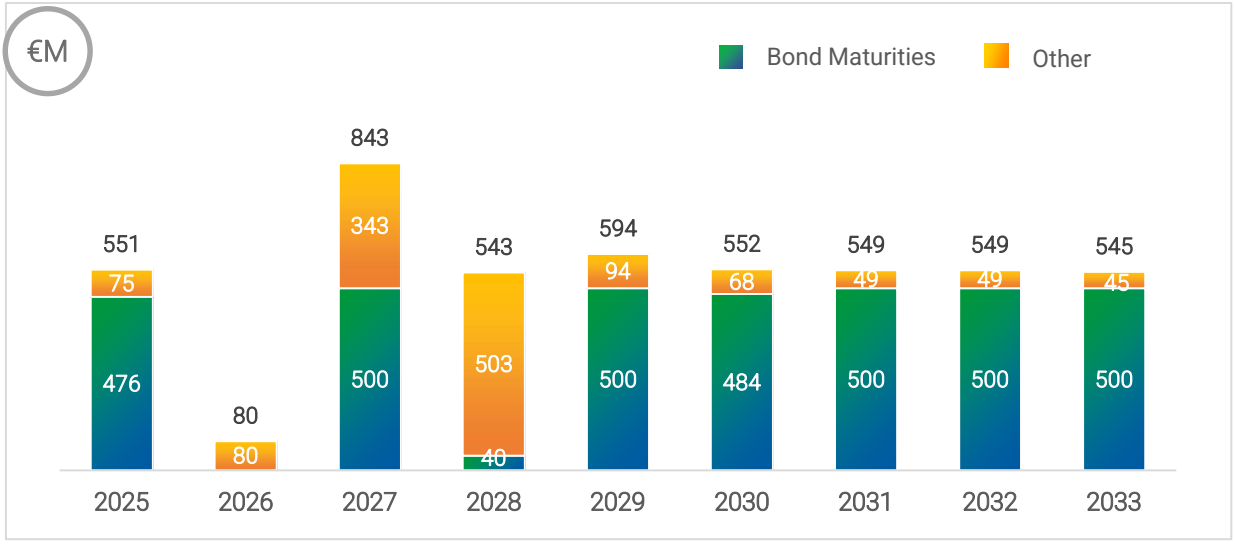
The following pie chart set out the Group's debt structure as at 30 September 2024.



Source: Internal management data (unaudited).

The following charts set out the evolution of the Group's debt maturity profile as at 30 September 2024 and its net financial position as at 30 September 2024, compared to 31 December 2023.

Debt maturity profile



Re-financing of 2025 maturities already addressed in full with the €500m bond issuance Iren completed in September 2024

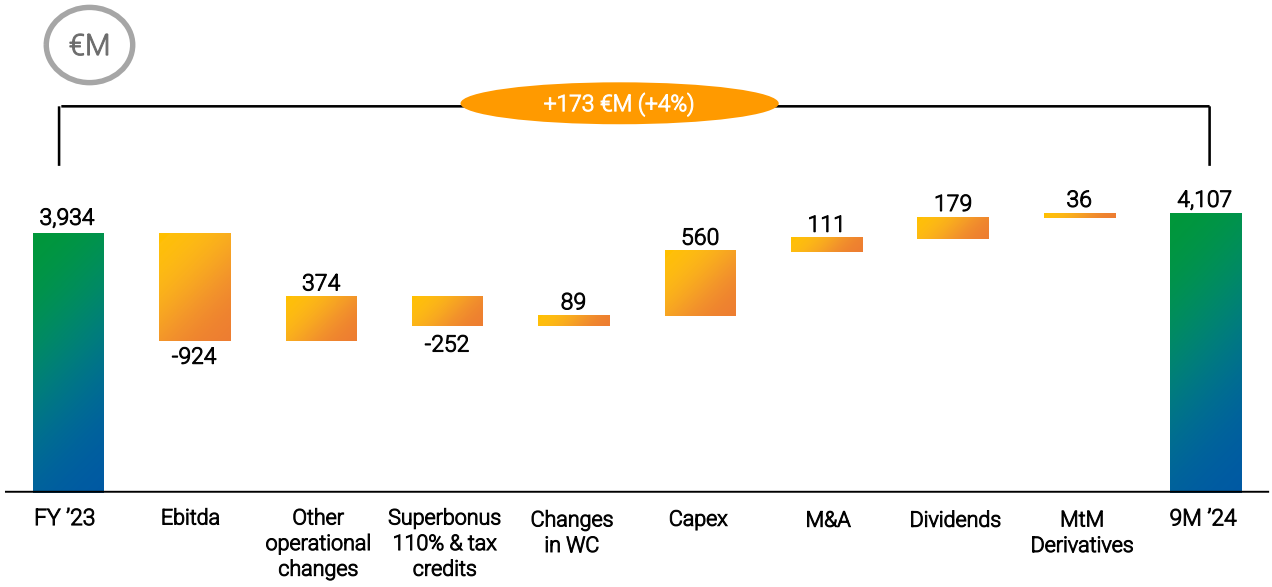
4.7 years
Average duration

2.1%
Average cost

81%
Sustainable debt

Source: Internal management data (unaudited).

Net financial position evolution (9M 2024 vs FY 2023)



Source: Internal management data (unaudited).

Recent developments

Amounts of ordinary shares and voting rights

As at 2 December 2024, the Issuer's 1,300,931,377 ordinary shares confers voting rights as follows.

- 779,148,487 ordinary shares with enhanced voting rights (*voto maggiorato* pursuant to Italian law) (ISIN IT0005315822), conferring:
    - 1,558,296,974 votes (i.e. two votes per share) on resolutions proposed at shareholders' meetings with weighted voting; and
    - 779,148,487 (*i.e.* one vote per share) on all other shareholders' resolutions; and
- 521,782,890 ordinary shares without enhanced voting rights (ISIN IT0003027817), conferring 521,782,890 votes (*i.e.* one vote per share) on all resolutions proposed at shareholders' meetings.

The Board of Directors of Iren approves the integration of the Issuer's by-laws, the appointment of Selina Xerra as manager in charge of certifying sustainability reporting and the updating of corporate documentation

On 18 December 2024, in compliance with the provisions of article 154 *bis* paragraph 5 *ter* of the Consolidated Financial Act, introduced by art. 12 Legislative Decree 125/2024, the Board of Directors of the Issuer, on the basis of the exclusive competence provided for by Article 25.4, (viii) of the by-laws then in place, approved the integration of the by-laws through the introduction of Article 33 *bis* entitled "*Manager responsible for certifying sustainability reporting*".

Also on 18 December 2024, the Board of Directors of the Issuer, following the favourable opinion of the Board of Statutory Auditors, resolved to appoint, pursuant to the provisions of Article 154 *bis* paragraph 5 *ter* of the Consolidated Financial Act, the Director of Corporate Social Responsibility and Territorial Committees, Selina Xerra, as manager in charge of certifying sustainability reporting starting from the 2024 financial year.

Furthermore, the Board of Directors of the Issuer also approved an update of (i) the document highlighting the governance assessments adopted by the Issuer with reference to the provisions of the Corporate Governance Code approved by the Corporate Governance Committee (January 2020 edition), to which the Issuer has adhered; (ii) the Regulations of the Control, Risk and Sustainability Committee;(iii) the Regulations of the Remuneration and Appointments Committee; and (iv) subject to the unanimous favourable opinion of the Related Party Transactions Committee, the Procedure regarding Related Party Transactions which became effective from 1 January 2025.

Iren awarded 2,047 MW in the 2026 capacity market auction

In December 2024, the outcome of the main auction of the capacity market for the delivery year 2026 confirmed the assignment of 100% of the offered capacity for the Issuer, as already happened for the delivery years 2022 to 2025. In particular, offers were accepted for 2,047 MW of existing capacity in the North area, valued at a price of Euro 46,000/MW/year. The result enhances the Group's electricity generation assets (in particular, the thermoelectric, cogeneration and programmable hydroelectric plants) contributing to the investment programme aimed at making the generation park more flexible and efficient, on the path towards the energy transition.

REGULATORY FRAMEWORK

Please refer to the information on the legislative and regulatory environment within which the Issuer and the Group operate incorporated by reference in this Prospectus, as set out in the section entitled "*Documents Incorporated by Reference*".

ITALIAN INSOLVENCY LAW

The statements herein regarding insolvency law provisions are based on the laws and/or interpretations in force as of the date of this Prospectus. The Issuer will not update this overview to reflect changes and/or interpretations.

The following is a brief description of certain aspects of insolvency law in Italy, which does not include special provisions applying to banks, insurance and other companies authorised to carry out certain reserved activities (except for the description of certain insolvency proceeding to which they might be subject to). The following overview does not purport to be a comprehensive description of all the insolvency law considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of Securities. Prospective purchasers of Securities are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Securities.

The considerations contained in this Prospectus in relation to insolvency law are made in order to support the marketing of the financial instruments herein described and cannot be considered as a legal advice. Investors should consult their own advisors in connection with the tax regime applicable to the purchase, the ownership and the sale of the Securities.

European Union Regulation (EU) 2015/848 – Overview

From June 5, 2015, Regulation (EU) 2015/848, as subsequently amended and supplemented, on insolvency proceedings (the "Recast EU Insolvency Regulation") applies within the European Union, and therefore in Italy, to insolvency proceedings opened on or after June 26, 2017 and with respect to a company whose "center of main interests" ("COMI") is located in a EU Member State. The Recast EU Insolvency Regulation states certain provisions for determining the competent jurisdiction and the applicable law for the insolvency proceedings opened in a EU Member State, in order to prevent the so called forum shopping.

The Recast EU Insolvency Regulation introduces the concept of COMI which is defined as "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties", generally the COMI is where the company has its registered office. The court with jurisdiction to open insolvency proceedings in relation to a company that has its COMI in a EU Member State is the court of the EU Member State in which the center of a debtor's main interests is located.

Insolvency proceedings opened in one EU Member State under the Recast EU Insolvency Regulation must be recognized in any other EU Member States. If a debtor's COMI is in a EU Member State, the courts of all other EU Member States (except Denmark) have jurisdiction to open "secondary" or "territorial" insolvency proceedings only if the debtor has an "establishment" in that other Member State's territory. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other EU Member State.

Irrespective of whether the insolvency proceedings are main or secondary or territorial insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus* (i.e. the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the company).

The courts of all EU Member States must recognize the judgment opening insolvency proceedings of the court commencing proceedings (subject to any public policy exception). The judgment of the court commencing main proceedings will produce the same effects in the other EU Member States as under the law of the EU Member State commencing main proceedings, so long as no secondary insolvency proceedings or territorial insolvency proceedings have been commenced in that other EU Member State and subject to certain other exceptions.

Certain Italian Insolvency Law Considerations

Overview

Italian insolvency laws and regulations have recently undergone a major reform. In particular, the Italian government approved the Italian Legislative Decree No. 14 of 12 January 2019, implementing the guidelines contained in the Italian Law No. 155 dated 19 October 2017 and containing the scheme of a comprehensive legal framework in order to regulate, *inter alia*, insolvency matters, which was published in the Official Gazette on 14 February 2019 no. 38—*Suppl. Ordinario* no. 6 and came into force on 15 July 2022 (so called "*Code of Business Crisis and Insolvency*," hereinafter, as subsequently amended and supplemented, the "*Italian Insolvency Code*").

The main innovations introduced by the Italian Insolvency Code include, *inter alia*: (i) the elimination of the term "bankrupt" (*fallito*) due to its negative connotation and the replacement of bankruptcy proceedings (*fallimento*) with a judicial liquidation (*liquidazione giudiziale*); (ii) a new definition of "state of crisis"; (iii) the adoption of the same procedural framework in order to ascertain such state of crisis and to access the different restructuring tools and frameworks (*strumenti di regolazione della crisi e dell'insolvenza della società*) provided for by the same Italian Insolvency Code; (iv) a new set of rules concerning group restructurings; (v) restrictions to the use of the pre-bankruptcy composition with creditors (*concordato preventivo*) in order to favor going concern proceedings; (vi) a new crisis settlement procedure (*composizione negoziata della crisi*); (vii) jurisdiction of specialized courts over proceedings involving large debtors; (viii) the adoption of definition of debtor's COMI as provided in the new set of rules concerning group restructurings; (ix) the introduction of the restructuring plan subject to sanctioning (*piano di ristrutturazione soggetto ad omologazione*) among the restructuring tools and frameworks (*strumenti di regolazione della crisi e dell'insolvenza della società*); (x) the regulation of adequate measures and plans to early detect a crisis with specific criteria to be adopted by the companies; and (xi) amendments to certain provisions of the Italian Civil Code aimed at ensuring the general effectiveness of the reform.

The Italian Insolvency Code has been amended and supplemented by, among others, (i) the Italian Legislative Decree No. 147 of 26 October 2020, (ii) the Italian Legislative Decree No. 83 of 17 June 2022, and (iii) the Legislative Decree No. 136 of 13 September 2024 (the "*Third Corrective Decree*").

Except for minor changes in some provisions of the Italian Civil Code, which already entered into force on 16 March 2019, in response to the COVID-19 pandemic, the entry into force of the Italian Insolvency Code has been initially postponed to 1 September 2021 by the "*Decreto liquidità*" (i.e. Law Decree 8 April 2020, no. 23, published in the Official Gazette on 8 April 2020 and converted in law by the Italian Parliament by the Law 5 June 2020, no. 40, published in the Official Gazette on 6 June 2020 the "*Liquidity Decree*"), and is now effective starting from July 15, 2022.

Provisions under the Italian Royal Decree No. 267 of 16 March 1942 (the former Italian bankruptcy legislation) as in force at the time (the "*Italian Bankruptcy Law*") continue to apply only to any filings for bankruptcy declarations and proposals of bankruptcy restructuring plans (*concordato fallimentare*) and any filings of petitions seeking for the approval of debt restructuring agreements *(accordo di ristrutturazione dei debiti*) and for the opening of a composition with creditors proceeding (*concordato preventivo*) filed or pending before 15 July 2022 (*i.e.* the effective date of the Italian Insolvency Code).

The main provisions of the Italian Insolvency Code - after its entry force on 15 July 2022, which supersedes the Italian Bankruptcy Law - are outlined herein below.

The two primary aims of the Italian Insolvency Code are to liquidate the debtor's assets and protect the goodwill of the going concern (if any) for the satisfaction of creditors' claims. The aim of the "*Prodi-bis*" procedure or "*Marzano*" procedure (which remain available to large companies also in the context of the new set of rules, as will be further detailed below), is to maintain employment. These competing aims often have been balanced by the sale of businesses as going concerns and ensuring that employees are transferred along with the businesses being sold.

Under the Italian Insolvency Code, the judicial liquidation (*liquidazione giudiziale*) must be declared by a court, based on the insolvency (*insolvenza*) of a debtor upon a petition filed by the debtor itself, the public prosecutor and/or one or more creditors. Insolvency, as defined under Article 2, letter (b) of the Italian Insolvency Code, is defined as the state of the debtor, manifested by defaults and/or other external elements evidencing that the debtor is no longer able to regularly meet its obligations as they come due. This must be a permanent, and not a temporary status of insolvency, in order for a Court to declare a debtor as insolvent. The Italian Insolvency Code also introduced a specific concept of crisis, which is defined under Article 2, letter (a) of the Italian Insolvency Code as the state of the debtor such that it is likely that insolvency will follow, which is manifested by the inadequacy of prospective cash flows to meet obligations in the following 12 months. Both insolvency and crisis are factual situations upon the occurrence of which different instruments provided for by the Italian Insolvency Code may be activated.

In cases where a debtor is facing financial difficulties or temporary cash shortfall and, in general, a state of crisis/financial distress, it may be possible for it to enter into out-of-court arrangements with its creditors, which may safeguard the going concern of the debtor, but which are susceptible of being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions.

The following debt restructuring and insolvency alternatives are available under Italian law for debtors in a state of crisis and for insolvent debtors and, in certain cases, also to debtors experiencing an economic or financial imbalance such as to make it likely that a state of crisis or insolvency will occur.

Restructuring Outside of a Judicial Process (concordati stragiudiziali)

Restructuring generally takes place through a formal judicial process because it is more favorable for the debtor and because out-of-court arrangements put in place as a result of an out-of-court restructuring process are vulnerable to being reviewed by a court in the event of a subsequent insolvency, and possibly challenged as voidable transactions, and may trigger liabilities in the event of a subsequent bankruptcy. However, in cases where a company is solvent, but facing financial difficulties, it may be possible to enter into an out-of-court arrangement with its creditors, which may safeguard the existence of the company.

Negotiated Settlement of Crisis (composizione negoziata della crisi)

The *composizione negoziata per la soluzione della crisi d'impresa* was originally introduced in the Italian legal framework by the Italian Law Decree No. 118/2021 (i.e. before the entering into force of the Italian Insolvency Code) and then incorporated into the Italian Insolvency Code.

It is an out-of-court proceeding, but the court can be involved in the two following circumstances:

(i) pursuant to Article 19 of the Italian Insolvency Code, when the debtor, by the day following the publication of the relevant request and of the acceptance of the Expert (as defined below) in the relevant Companies' Register (*Registro delle Imprese*), files a petition requesting the competent court to confirm or modify the protective measures provided for pursuant to Article 18 of the Italian Insolvency Code (i.e. the interested creditors being barred from obtaining preemption rights (*diritti di prelazione*) unless agreed upon by the debtor and a stay on all individual enforcement and interim actions) (the "*Protective Measures*"), and, if necessary, to enact the interim measures necessary to complete the negotiations (the "*Interim Measures*"), and

(ii) when the debtor files a petition asking the court to authorize certain acts in line with the provisions set forth under Article 22 of the Italian Insolvency Code.

The *composizione negoziata per la soluzione della crisi d'impresa* is a proceeding aimed at facilitating the recovery of debtors which despite of their conditions of asset or economic and financial imbalance, crisis or insolvency, have the potential to remain in the market, including through the sale of the business or a branch of it (mainly in the interest of workers). It is, therefore, a procedure aiming at anticipating further deterioration of the debtor's situation.

According to Article 12 of the Italian Insolvency Code, the *composizione negoziata per la soluzione della crisi d'impresa* can be pursued by enterprises, either commercial (*imprenditore commerciale*) and agricultural

(*imprenditore agricolo*). The debtor filing for a *composizione negoziata per la soluzione della crisi d'impresa, inter alia,* (i) pursuant to Article 17, paragraph 3, letter d) of the Italian Insolvency Code, shall certify that no judicial liquidation proceedings or similar proceedings are pending towards itself nor it has filed requests for the admission to the procedures provided for under Article 40 of the Italian Insolvency Code, including pursuant to Articles 44, paragraph 1, letter a), 74 and 54, paragraph 3, and (ii) in the event that the application for a *composizione negoziata per la soluzione della crisi d'impresa* is dismissed may not submit a new request before one year has elapsed after dismissal (in the case where such dismissal is requested by the debtor within two months from the appointment of the Expert (as defined below), the term for submitting a new request is reduced to four months).

Pursuant to Article 25 of the Italian Insolvency Code, the *composizione negoziata per la soluzione della crisi d'impresa* may also apply to groups of companies, which may commence one proceeding all together. It should be noted that paragraph 9 of such provision provides for the group companies - at the end of the negotiations - to either enter into one of the agreements referred to in Article 23, paragraph 1 of the Italian Insolvency Code as a group, or use one of the tools referred to under Article 23 of the Italian Insolvency Code, either separately or as a whole group.

The *composizione negoziata per la soluzione della crisi d'impresa* is commenced on a voluntary basis only, filing of a petition for the appointment of a third party and independent expert (the "*Expert*") to the secretary general of the relevant chamber of commerce by way of a dedicated electronic platform (the "*Platform*"). Pending a proceedings pursuant to Article 40 of the Italian Insolvency Code relating to access to a different in-Court reorganization or restructuring tool, or having such a proceedings being renounced in the priori fourth months, the petition cannot be filed Pursuant to Article 25-*quinquies* of the Italian Insolvency Code and the person who acted as Expert in the context of such proceeding, shall not have or maintain professional relations with the debtor during the two years following the termination of the negotiated proceeding.

The Expert is appointed within five days upon the filing of the request. The Expert is responsible for facilitating and managing the negotiations between the debtor, its creditors and any other interested parties, in order to identify a solution to overcome the crisis or the insolvency, including through the transfer of the business or a branch thereof.

The Expert assesses his/her own independence, the adequacy of his/her own professional expertise and his/her own time availability with respect to the prospected assignment, and, if the outcome of the assessment is positive, within two working days of receiving the nomination notifies his/her acceptance to the debtor and uploads it on the Platform. In case of negative outcome, the Expert confidentially notifies it to the commission, which appoints a new Expert. If the Expert accepts the appointment, he/she meets with the debtor in order to assess whether there are concrete and real chances of recovery. The debtor attends the meeting personally, and can be assisted by its advisors.

If the Expert finds that there are concrete and real chances of recovery (*risanamento*), he/she meets with the creditors involved in the debtor's recovery process and presents the possible strategies, scheduling periodic meetings close in time to one another. During the negotiations, the debtor, all creditors and any other party involved must act in good faith and with fairness, must cooperate and are bound by confidentiality on the debtor's situation, on the actions carried out or planned by the debtor and on the information received in the course of the negotiations. The debtor must provide a complete and clear representation of his/her situation and manage his/her assets without causing unfair prejudice to the creditors. Banks and financial intermediaries, agents, and, in case of credit assignment and/or transfer, their assignees or transferees, must take part in the negotiations actively and in an informed manner, and the access to the *composizione negoziata per la soluzione della crisi d'impresa* does not, by itself, constitute ground for suspension or withdrawal of facilities (which may, however, occur if required under the prudential supervision regulation (*disciplina di vigilanza prudenziale*)) or for a different credit rating. During the *composizione negoziata per la soluzione della crisi d'impresa* the credit rating shall be determined taking into consideration either the prudential supervision regulation and the content of the recovery/restructuring plan. The continuation of the financing relations is not in itself cause for liability of the bank and the financial intermediary.

If the Expert finds that there are no real chances of recovery (*risanamento*), after the meeting with the debtor or thereafter, he/she has to promptly notify the debtor and the secretary general of the chamber of commerce, which provides for the dismissal of the debtor's petition within the next five working days. The Expert's appointment is considered terminated if, after 180 days from its appointment, the parties have not agreed on a solution (that can also be proposed by the Expert) for overcoming the debtor's distressed situation. However, the Expert's appointment can continue up to further 180 days (pursuant to Article 17, paragraph 7 of the Italian Insolvency Code) if (i) the debtor and the parties involved in the negotiations require so and the Expert agrees, or (ii) the prosecution of the appointment is required by the fact that the debtor has filed a petition to the Court pursuant to Article 19 and/ or Article 22 of the Italian Insolvency Code or certain activities authorized by the Court shall be performed or the Protective Measures and/or the Precautionary Measures are still effective.

Pursuant to Article 17, paragraph 8 of the Italian Insolvency Code, at the end of his/her appointment the Expert issues a final report (the "*Final Report*") to the competent Chamber of Commerce, uploads it on the Platform, and notifies it to the debtor and to the court that has granted the Protective Measures and Precautionary Measures (if any) which declares the termination of their related effects.

Pursuant to Article 18 of the Italian Insolvency Code, together with the petition for appointment of the Expert, or with a subsequent petition, the debtor can request the application of Protective Measures, which may also be limited, upon debtor request, either to certain creditors or to certain creditors' claims or to a specific category of creditors. The Protective Measures consist of the following: from the date of publication of the relevant petition, creditors cannot obtain preemption rights (*diritti di prelazione*) unless agreed upon by the entrepreneur, nor may they initiate or continue enforcement and precautionary actions. However, as opposed to what happens in the *concordato preventivo*, payment of preexisting creditors is not forbidden. The Protective Measures do not apply to employees' claims.

From the date of publication of the petition requesting the application of the Protective Measures until the date of conclusion of the negotiations or dismissal of the petition for the *composizione negoziata per la soluzione della crisi d'impresa*, the ruling of opening of the judicial liquidation proceeding (*sentenza di apertura della liquidazione giudiziale*) or the debtor cannot be declared insolvent by the Court, unless it revokes the Protective Measures. From the same date, prescriptions remain suspended and forfeitures do not occur.

The creditors whose rights are affected by the Protective Measures cannot unilaterally refuse to perform their obligations under the contracts in place with the debtor, nor terminate such contracts, nor anticipate their expiration date, nor amend them with detrimental consequences for the debtor, solely on the ground of the missed payment of claims arisen prior to the publication of the petition requesting the application of the Protective Measures. However, the creditors may suspend the fulfilment of the pending contracts from the publication of the petition requesting Protective Measures to the court's confirmation of such Protective Measures.

If the debtor applies for the Protective Measures (which, as said, are effective immediately, upon publication of the relevant request in the companies' register), it shall - within the next day following the aforementioned publication - file a confirmation/amendment request to the competent court, in order to allow a judge to verify the opportunity to confirm them or, if necessary, to modify them. In the absence of such request, the Protective Measures will become ineffective.

The duration of the Protective Measures and, if necessary, the Precautionary Measures, is established by an order of the court in a range between 30 and 120 days, and, upon request of the parties and after obtaining the opinion of the Expert, can be extended for the time required to positively finalize the negotiations up to a maximum of 240 days, given that the judge may discretionary order the revocation of such Protective Measures or shorten their duration.

From the date of confirmation of Protective Measures, banks and financial intermediaries, agents and transferees of their claims against whom the Protective Measures have been confirmed may not maintain the suspension relating to the facilities granted at the time of access to the *composizione negoziata per la*

soluzione della crisi d'impresa, unless they prove that the suspension is determined by the application of prudential supervision regulation.

During the procedure the debtor remains able to continue the ordinary and extraordinary management of the company, subject to certain conditions. More precisely, pursuant to Article 21 of the Italian Insolvency Code, pending the negotiations, the debtor may carry out acts pertaining to ordinary activity, and, upon written notice to the Expert, carry out acts pertaining to extraordinary activity or make payments non-consistent with the negotiations nor with the perspectives of recovery, in such a way as to avoid prejudicing the economic and financial sustainability of the business. Furthermore, if during the course of the negotiations, it appears that the debtor is insolvent but there are real prospects of recovery, the debtor shall manage the enterprise in the best interests of the creditors, without prejudice to his liabilities.

If the Expert believes that a certain act causes prejudice to the creditors, to the negotiations or to the perspectives of recovery, he/she reports it in writing to the debtor and to the debtor's control body. If, notwithstanding the Expert's report, the debtor carries out the relevant act, it shall give immediate notice to the Expert, who may file his/her dissent for the registration with the companies' register in the next ten days. At the request of the debtor or of one or more creditors or upon notification from the Expert, the Court that has granted the Protective Measures and/or Precautionary Measures may, at any time, revoke such measures or reduce their duration when they do not meet the aim of ensuring the positive outcome of the negotiations or they appear disproportionate in relation to the prejudice caused to the creditors, pursuant to Article 19, paragraph 6, of the Italian Insolvency Code. If the Protective Measures are revoked, the prohibition on the obtainment of preemption rights by preexisting creditors ceases to be effective from the date on which the Protective Measures are revoked.

Pursuant to Article 22 of the Italian Insolvency Code, the Court, upon the entrepreneur's request and to the extent that this is consistent with the continuation of the business as a going concern and with the maximization of the creditors' recovery, may authorize:

(i) the debtor or one or more debtors belonging to the same corporate group to incur new super-senior (*prededucibil*e) indebtedness;

(ii) the debtor to incur new super-senior (*prededucibil*e) indebtedness via shareholders' financing; and

(iii) the debtor to transfer its business, or certain business branches, without the effects provided under Article 2560, paragraph 2, of the Italian Civil Code, without prejudice to Article 2112 of the Italian Civil Code. However, in such case it will be for the court itself to identify the measures it considers appropriate, taking also into account the requests of the parties concerned, in order to protect all the interests involved. The Court shall also verify the compliance with the competitiveness principle in choosing the purchaser.

The acts/activities/transactions authorised by the Court may be performed before or after the completion of the *composizione negoziata per la soluzione della crisi d'impresa* if so provided by the Court's order or by the Final Report of the Expert.

Pursuant to Article 23 of the Italian Insolvency Code, the *composizione negoziata per la soluzione della crisi d'impresa* can terminate as follow:

(i) execution of an agreement between the debtor and one or more creditors or one or more parties interested in the recovery transaction, which constitutes cause for application of the reward measures provided under Article 25-*bis*, paragraph 1 of the Italian Insolvency Code if, according to the Expert's Final Report, such agreement ensures the continuation of the business as a going concern for at least 2 years;

(ii) execution of a standstill agreement (*convenzione di moratoria*) pursuant to Article 62 of the Italian Insolvency Code;

(iii) execution of an agreement signed by the debtor, one or more creditors or one or more parties interested in the recovery transaction and by the Expert, with the effects provided under Articles 166,

paragraph 3, lett. d) and 324. With such agreement the Expert acknowledges that the reorganization plan (*piano di risanamento*) seems to be consistent with the composition of the crisis or insolvency.

At the end of the negotiations, if none of the above mentioned agreement is executed, the debtor may alternatively:

(i) arrange an out-of-court reorganization plan (*piano attestato di risanamento*) pursuant to Article 56 of the Italian Insolvency Code;

(ii) file a petition requesting the sanctioning of a debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti*) pursuant to Articles 57, 60 and 61 of the Italian Insolvency Code. The percentage of 75%, referred to under Article 61, paragraph 2, letter c) of the Italian Insolvency Code, is reduced to 60% if the achievement of the agreement results from the Final Report of the Expert or the petition requesting the sanctioning is filed no later then 60 days from the issuing of the Expert's Final Report;

(iii) file a petition for admission to the *concordato semplificato per la liquidazione del patrimonio* provided for pursuant to Article 25-*sexies* of the Italian Insolvency Code;

(iv) enter into one of the insolvency proceedings provided under the Italian Insolvency Code or in the so-called Prodi-*bis* procedure or the Marzano procedure.

The Third Corrective Decree has provided for the possibility for the debtor to enter into a settlement agreement with the Italian Tax Authority. The settlement agreement may provide for a partial or deferred payment of the tax debts; an independent practitioner shall certify its convenience compared to the alternative of judicial liquidation and the debtor shall provide to the Italian Tax Authority a certification on the completeness and truthfulness of the company's data. The settlement agreement shall be issued to the Expert and filed to the Court which shall approve its content or declare its ineffectiveness. If (i) the debtor does not perform its payment obligations within 60 days as they become due, or (ii) a judicial liquidation proceeding is opened against the debtor, or (iii) the Court declare the debtor's insolvency, the settlement agreement automatically ceases its effectiveness.

The settlement agreement may be entered into by any debtor which has acceded to a *composizione negoziata per la soluzione della crisi d'impresa* after 13 September 2024.

Furthermore, pursuant to Article 24 of the Italian Insolvency Code:

(i) the acts authorized by the court pursuant to Article 22 of the Italian Insolvency Code shall maintain their effects in the event of subsequent sanctioned debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti omologato*), sanctioned court-supervised pre-judicial liquidation composition with creditors (*concordato preventivo omologato*), opening of the judicial liquidation proceeding (*apertura della liquidazione giudiziale*), a sanctioned restructuring plan provided for pursuant to Article 64-*bis* of the Italian Insolvency Code, a compulsory administrative winding-up (*liquidazione coatta amministrativa*), extraordinary administration for large insolvent companies (*amministrazione straordinaria*) or simplified pre-judicial liquidation composition with creditors agreement aimed at the liquidation of the debtor's assets (*concordato semplificato per la liquidazione del patrimonio*) provided for pursuant to Article 25-*sexies* of the Italian Insolvency Code;

(ii) the payments, the acts (*atti*) and the granting of security interests made after the Expert accepted its appointment, are exempted from claw-back actions pursuant to Article 166, paragraph 2, of the Italian Insolvency Code if they were consistent with the development and the status of the negotiations and with the perspectives of recovery (*risanamento*) in place at the time the payment/transaction/granting of security interest was made;

(iii) acts pertaining to the debtor's extraordinary activity and payments made after the Expert accepted its appointment are subject to claw-back actions pursuant to Article 165 and Article 166 of the Italian Insolvency Code if the Expert has registered his/her dissent in the companies' register pursuant to

Article 21, paragraph 4 of the Italian Insolvency Code or if the competent court has denied its authorization pursuant to Article 22 of the Italian Insolvency Code; and

(iv) payment and transactions made after the Expert accepted its appointment, which the Expert assesses to be consistent with the development of the negotiations and with the perspectives of recovery (*risanamento*) of the debtor, or which have been authorized by the court pursuant to Article 22 of the Italian Insolvency Code, benefit of exemptions from the potential application of certain criminal sanctions (*i.e.* Article 322, paragraph 3 and Article 323 of the Italian Insolvency Code).

Potential outcomes: concordato semplificato per la liquidazione del patrimonio

Article 25-*sexies* of the Italian Insolvency Code introduces a simplified court-supervised pre-judicial liquidation composition with creditors with liquidation purpose (*concordato semplificato per la liquidazione del patrimonio*).

If, in its Final Report, in the context of a *composizione negoziata per la soluzione della crisi d'impresa* proceeding, the Expert states that the negotiations have been conducted according to fairness and good faith and that the options provided under Article 23, paragraphs 1 and 2, letters a) and b), of the Italian Insolvency Code are not feasible, within 60 days following the notification of the Final Report the debtor may file to the competent Court where it has its center of main interests a petition for admission to the *concordato semplificato per la liquidazione del patrimonio*, together with a liquidation plan and the documents listed under Article 39 of the Italian Insolvency Code. The petition for *concordato semplificato per la liquidazione del patrimonio* is then published in the companies' register within the day following the filing with the court. From the date of such publication, the effects provided under Articles 6, 46, 94 and 96 of the Italian Insolvency Code are produced.

As an alternative to the above, within the same term the debtor may file a petition pursuant to Articles 40 or 44 of the Italian Insolvency Code in order to accede to an insolvency proceeding or a recovery proceeding.

Following the filing of such application, the Court (i) appoints a so-called "auxiliary" (*ausiliario*) to, *inter alia*, express an opinion on the debtor's proposal; (ii) orders that the proposal, together with the opinion of the auxiliary and the Final Report of the Expert, are delivered by the debtor to the creditors appearing on the list filed by the debtor itself; and (iii) sets the date of the hearing for the court approval (*omologazione*). Creditors do not vote on the proposal, but are entitled to oppose to the court validation within ten days before the date of the hearing.

If the Court, having verified the legitimacy of the objection and the procedure, as well as compliance with priority creditor claims and the feasibility of the liquidation plan, finds that the proposal does not prejudice the creditors with respect to the alternative of a judicial winding-up liquidation and that, in any event, it ensures a benefit to each creditor, it approves the composition with creditors proposal by decree, by which it shall also appoint a liquidator.

The Court issues a decree of approval (*omologazione*) of the *concordato semplificato per la liquidazione del patrimonio* when it finds that (i) the proceeding has been carried out in accordance with relevant laws and regulations and the adversarial principle among the parties (*contraddittorio*); (ii) the proposal is compliant with preemption rights (*cause di prelazione*) and the liquidation plan is feasible, and (iii) the proposal does not cause a prejudice to the creditors compared to their recovery in the judicial liquidation proceeding or in the controlled liquidation, and in any case ensures that each creditor receives a certain recovery. With the approval decree, the Court appoints a liquidator.

The parties may file an objection (*opposizione*) to the abovementioned decree within 30 days after having been notified of the same.

Pursuant to Article 25-*septies* of the Italian Civil Code, the liquidation plan may also include an offer by a pre-identified third party to transfer the business or one or more branches of the business or specific assets to such third party, even before the approval: in this case, the judicial liquidator, having verified the absence of better solutions on the market, may implement the offer.

Out-of-court recovery plans (piani attestati di risanamento) pursuant to Article 56 of the Italian Insolvency Code

Out-of-court agreements are based on recovery plans (*piani attestati di risanamento*) addressed to the creditors and prepared by debtors who are either insolvent or in a state of crisis, in order to restructure their indebtedness and to ensure the recovery of their financial condition. An independent expert appointed directly by the debtor and enrolled in the Register of Auditors and Accounting Experts (*Registro dei Revisori Legali*) must verify the feasibility of the recovery plan and the truthfulness of the business data provided by the company. There is no need to obtain court approval to appoint the independent practitioner. The independent practitioner must possess certain specific professional requisites and qualifications and meet the requirements set forth by Article 2399 of the Italian Civil Code and may be subject to liability in case of misrepresentation or false certification.

Out-of-court recovery plans and the relevant arrangements are not under any form of judicial control or approval and, therefore, no application is required to be filed with the court or supervising authority. Also, out-of-court agreements are not required to be approved and consented to by a specific majority of all outstanding claims.

The terms and conditions of these out-of-court recovery plans are freely negotiable, provided they are finalized at restructuring the debtor's indebtedness and rebalancing its capital structure. However, the possibility to adopt such tools to liquidate the debtor is disputed, as it is argued they shall provide for the restructuring of the debtor's indebtedness and the rebalancing of its financial condition on a going concern basis. Unlike court supervised compositions with creditors and debt restructuring agreements, out-of-court recovery plans do not offer the debtor any protection against enforcement proceedings and/or precautionary actions of third-party creditors. The Italian Insolvency Code provides that, should these plans fail, and the debtor be declared insolvent, the payments and/or acts carried out, and/or security interest granted on the debtor's assets for the implementation of the recovery plan, subject to certain conditions (a) are not subject to any claw-back action (*azione revocatoria*), including the claw-back action provided for pursuant to Article 2901 of the Italian Civil Code, as provided for pursuant to Article 166, paragraph 3, letter d) of the Italian Insolvency Code; and (b) are exempted from the potential application of certain criminal sanctions. Neither ratification by the Court nor publication in the Companies' Register are needed (although publication in the Companies' Register of the plan, the report by the independent practitioner and the agreement is possible upon a debtor's request and would allow certain tax benefits), and, therefore, the risk of bad publicity or disvalue judgments are lower than in case of a Court supervised composition with creditors or a debt restructuring agreement. Since the recovery plan (or the agreements entered into to implement it) is not subject to any court approval or judicial review, it cannot be excluded that the abovementioned exemption effects will be challenged in the event of subsequent judicial liquidation, if the competent Court were to assess that the recovery plan was not feasible at the time it was certified by the independent expert. However, the publication of the out-of-court recovery plans in the Companies' Register is necessary for the company to take advantage of certain tax benefits provided for in article 88, para 4-*ter* and 101, para 5 TUIR (*Testo Unico delle Imposte sui Redditi*). Consequently, based on applicable law, unless the above mentioned tax benefits are requested by the debtor (thus triggering the publication of the plan in the Companies' Register), the entering into a out-of-court recovery plans by the debtor may not be disclosed to the other creditors of the debtor and grants the debtor confidentiality.

Unlike Italian Bankruptcy Law, the Italian Insolvency Code sets forth specific rules regarding out-of-court recovery plans and the relevant agreements entered into with creditors, which must be followed for the plans and agreements to grant protection against claw-back actions and potential civil and criminal responsibilities. More in detail, out-of-Court recovery plans pursuant to Article 56 of the Italian Insolvency Code must be supported by adequate documentation representing the financial and commercial situation of the debtor and which also needs to indicate, among others, the causes of the crisis, the new resources which will be made available to the debtor and the industrial plan. Moreover, they must be suitable for the purpose of assuring the restructuring of the indebtedness of the debtor and rebalancing its financial position and, in case of its failure and subsequent challenge (*impugnazione*) before an Italian Court, they must not be deemed as being unreasonable.

Debt restructuring agreements with creditors (accordi di ristrutturazione dei debiti) pursuant to Article 57 of the Italian Insolvency Code

Debt restructuring agreements with creditors (*accordi di ristrutturazione dei debiti*) provided for pursuant to Article 57 and ff. of the Italian Insolvency Code may be entered into by the debtor with creditors holding at least 60% of the outstanding indebtedness, to be sanctioned (*omologato*) by the competent court. An independent practitioner appointed by the debtor must assess the truthfulness of the business and accounting data provided by the company and declare and that the agreement is feasible and, particularly, that it ensures that the indebtedness vis-à-vis non-participating creditors can be fully satisfied in a 120-day term from: (i) the date of sanctioning (*omologazione*) of the agreement by the court, in the case of debts which are due and payable to the non-participating creditors as of the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the court; and (ii) the date on which the relevant debts fall due, in case of debts which are not yet due and payable to the non-participating creditors as at the date of the sanctioning (*omologazione*) of the debt restructuring agreement by the Court. Pursuant to Article 57 of the Italian Insolvency Code, only a debtor who is in a state of crisis or insolvent can request the Court's sanctioning (*omologazione*) of the debt restructuring agreement entered into with its creditors.

The agreement is published in the companies' register and becomes effective as of the day of its publication. Creditors and other interested parties may challenge the agreement within 30 days from the publication of the agreement in the companies' register. After having settled with the opposition (if any), the Court will validate (*omologare*) the agreement by issuing a decree, which can be appealed, for the parties, within 30 days from the date of the telematic notification of the order by the office and, for other interested parties, from its publication in the Companies' Register pursuant to Article 51 of the Italian Insolvency Code.

The Italian Insolvency Code does not expressly provide for any indications concerning the contents of the debt restructuring agreement. The plan can therefore provide, *inter alia*, either for the debtor or a third party carrying out the business, or for the sale of the business, and may contain refinancing agreements, moratoria, write offs and/or postponements of claims. The debt restructuring agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes. If the plan provides for transformation, merger or demerger of the company it shall be published in the companies register and any creditor may oppose to its approval. The debtor shall carry out the transformation/merger/demerger activities after the sanctioning of the debt restructuring agreement by the Court or before its sanctioning upon a specific Court's authorization if the Court considers that the implementation after the approval would prejudice the interest of the creditors of the debtor company, provided that the consent of all the creditors of the other participating companies is shown or that they make payment to those who have not given consent or deposit the corresponding sums in a bank.

Article 58, paragraph 1, of the Italian Insolvency Code sets the rule for when substantial amendments are made to the plan. More precisely, in the event of substantial amendments to the plan before the approval, the report issued by the independent practitioner and the consent to the debt restructuring agreement expressed by creditors shall be renewed. The report shall also be renewed in the event of substantial amendments to the agreements. In the event substantial amendments need to be made to the plan after the approval, the debtor shall make such amendments as are appropriate to ensure the implementation of the agreements, requesting the update of the certified report issued by the practitioner having the requirements set forth in Article 57, paragraph 4, of the Italian Insolvency Code. In this case, the renewed certified report, together with the amended plan, shall be published in the companies' register, giving appropriate notice to the creditors by registered letter or by certified email (PEC). The parties may file an objection (*opposizione*) within 30 days after having been notified.

With the petition for the approval by the court of the debt restructuring agreement, the debtor may request to be granted protective measures (e.g. a stay on individual enforcement and precautionary actions) – additional protective measures can be requested at any time pending the procedure. Such measures can also be requested (i) pursuant to Article 54, paragraph 3 of the Italian Insolvency Code, to the Court by the debtor pending negotiations with creditors (i.e. prior to the filing of the petition for approval of the agreement), subject to certain conditions, or (ii) pursuant to Article 44 of the Italian Insolvency Code, together with a pre-

petition for the access to one of the restructuring tools provided for by the Italian Insolvency Code. According to Article 54, paragraph 2, of the Italian Insolvency Code, provided that the petition for approval of the debt restructuring agreement includes the relevant request for measures, from the date of publication of the petition in the companies' register, it is prohibited to commence or continue the enforcement and the precautionary actions (or, in any event, to take any initiatives prohibited under the relevant measures). No dispossession of debtor occurs in respect of a debt restructuring agreement, but the Court may appoint a judicial commissioner to oversee the proceeding and must do so in case petitions for the opening of judicial liquidation are pending, when it is necessary for the protection of the parties who filed such petitions. It is a court-supervised procedure, which can take from a few months up to more than a year (the duration of the proceedings are generally influenced by challenges). Creditors entering into the debt restructuring agreement are not required to receive the same treatment (i.e. they are free to reject the proposal and to protect their interests otherwise) and no cram-down is applicable to third-party non-adhering creditors, who shall be fully re-paid within 120 days from validation (*omologa*) of the debt restructuring agreement (if the claims are already due and payable at such date) or within 120 days from the respective maturity date if such creditors' claims are not yet due as of the validation date of such debt restructuring agreement as per respectively Article 57, paragraph 3 letters a) and b) (but see below with regards to debt restructuring agreements with extended effects (*accordi di ristrutturazione ad efficacia estesa*)).

Creditors and other interested parties may file an opposition to the approval of the debt restructuring agreement within 30 days from the publication of the relevant petition in the companies' register. At such hearing, the court decides upon any opposition and assesses whether the conditions for the approval are met.

Pursuant to the Article 61 of the Italian Insolvency Code, debtors are entitled to enter into a debt restructuring agreement by obtaining the approval of creditors representing at least 75% of the credits belonging to the same category (with respect to the homogeneity of their legal position and economic interests) and can request the Court to declare that agreement binding on the non-adhering creditors belonging to the same category (so called "cram down").

More in detail, debt restructuring agreements with extended effects (*accordi di ristrutturazione ad efficacia estesa*) pursuant to Article 61 of the Italian Insolvency Code may be proposed to any category of creditors provided that, *inter alia*: (i) all the creditors belonging to the same category have been informed of the start of the negotiations and have been able to participate in them in good faith and have received complete and up-to-date information on the debtor's economic and financial situation as well as on the restructuring agreement and its effects; (ii) the agreement provides for the continuation of the business activity either directly or indirectly pursuant to Article 84 of the Italian Insolvency Code; (iii) the claims of the consenting creditors belonging to a same category represent at least 75% of all the claims belonging to the same category, it being understood that a creditor may hold claims in more than one category; (iv) the non-adhering creditors belonging to the same category to which the effects of the agreement are extended can be satisfied under the agreement for an amount not lower than the amount they would receive in the judicial liquidation as of the date of the filing to the Court for the sanctioning of the debt restructuring agreement; and (v) the debtor has notified the agreement, the application for Court approval and the documents attached thereto to the creditors to be crammed down. As anticipated above, the percentage of 75% is lowered to 60% if the debt restructuring agreement is referred to in the Final Report issued by the Expert at the end of the negotiations pertaining to the *composizione negoziata per la soluzione della crisi d'impresa* or the debtor files to the Court an appeal for the sanctioning of the debt restructuring agreement within 60 days from the issuance of the Expert's Final Report.

Moreover, pursuant to Article 61, paragraph 5, of the Italian Insolvency Code, a special provision is set forth for debtors whose financial indebtedness is at least 50% of their total indebtedness: in this situation the debt restructuring agreement may identify one or more categories of creditors which are banks and financial intermediaries which have a homogeneous legal position and economic interests and extend the effects of the agreement to non-participating creditors who are part of the same category. In such instance, the agreement may also not contemplate the direct or indirect continuation of the business activity as a going

concern. However, in such case the rights of creditors who are not banks or financial intermediaries remain unaffected.

Similarly, pursuant to the new Article 62 of the Italian Insolvency Code, a standstill agreement (*convenzione di moratoria*) entered into between a debtor and its creditors representing 75% of the same class would also bind the non-participating creditors, provided that: (A) pursuant to Article 62, paragraph 2, lett. d) of the Italian Insolvency Code, an independent practitioner has been appointed and certifies (i) the truthfulness of the business data, (ii) the attitude of the standstill agreement to temporarily regulate the effects of the crisis and (iii) the fact that there is a concrete possibility that non-adherent creditors who are in the same category, and to whom the effects of the agreement are extended, may be satisfied for an amount not lower than the amount they would receive in the judicial liquidation as of the date of the stand still agreement, and (B) certain further conditions are met (e.g., all the creditors belonging to the relevant category have been duly notified of the beginning of the negotiations, have been made able to participate in the negotiations and have received complete and up-to-date information on the debtor's assets, economic and financial situation and on the agreement and its related effects). Non-adhering crammed-down creditors can challenge the standstill agreement within 30 days after having been notified of the same.

In no case debt restructuring agreements provided for under Article 61 of the Italian Insolvency Code and standstill agreements provided under Article 62 of the Italian Insolvency Code may impose on the non-adhering creditors, inter alia, performance of new obligations, the granting of new loans, the maintenance of the possibility to utilize the existing facilities or the drawing of new facilities.

Article 60 of the Italian Insolvency Code provides for the so called facilitated debt restructuring agreement (*accordi di ristrutturazione agevolati*). Such proceeding, is a particular kind of debt restructuring agreement which may be entered into with creditors representing the 30% of the total indebtedness provided that the debtor: (i) has waived the standstill on the payment of non-consenting creditors (otherwise allowed by operation of law, for a period of 120 days from the court approval of the agreement or from the maturity date of the relevant obligations, in "ordinary" debt restructuring agreements); and (ii) has not previously requested to the court the granting of protective measures pursuant to Article 54 of the Italian Insolvency Code.

By virtue of Article 59 of the Italian Insolvency Code, Article 1239 of the Italian Civil Code applies to the creditors that have adhered to the debt restructuring agreements. Non-participating creditors maintain their claims towards (i) those who are jointly and severally liable with the debtor, (ii) the debtor's guarantors and (iii) debtors by way of right of recourse (*regresso*). Unless agreed otherwise, debt restructuring agreements produce effect towards the shareholders who are jointly liable with non-limited liability companies, provided that, if such shareholders have granted guarantees, they will remain liable as guarantors.

The provision of Article 99 of the Italian Insolvency Code applies to both debt restructuring agreements and to court-supervised compositions with creditors (*concordato preventivo*) outlined below.

Court supervised composition with creditors (concordato preventivo)

A company which is insolvent or in a situation of crisis can make a composition proposal to its creditors, under Court supervision, in order to compose its overall indebtedness and/or reorganize its business, thereby avoiding a declaration of insolvency and the initiation of insolvency proceedings. Such composition proposal can be made by a commercial enterprise which exceeds any of the following thresholds: (i) has had assets (*attivo patrimoniale*) in an aggregate amount exceeding Euro 0.3 million for each of the three preceding fiscal years, (ii) gross revenue (*ricavi lordi*) in an aggregate amount exceeding Euro 0.2 million for each of the three preceding fiscal years, and (iii) has total indebtedness in excess (included debts not yet due) of Euro 0.5 million. Only the debtor can file a petition with the court for a *concordato preventivo* with the court based in the location of the debtor's main office. The debtor must file the petition together with, among others, a restructuring plan containing an analytic description of manner and timing of the fulfillment of the proposal and an independent practitioner report assessing the feasibility of the composition proposal and the truthfulness of the business and accounting data provided by the company. The petition for *concordato preventivo* is then communicated to the company's register by the registry of the court and transmitted to

the public prosecutor. From the date of such publication to the date on which the court issues the decree opening the *concordato preventivo*, preexisting creditors cannot obtain security interests (unless authorized by the court) and mortgages registered within the 90 days preceding the date on which the petition for the *concordato preventivo* is published in the company's register are ineffective against such pre-existing creditors. According to Article 54, paragraph 2, of the Italian Insolvency Code, provided that the petition for the admission to the *concordato* proceedings includes the relevant request, from the date of publication of the petition in the companies' registry, it is prohibited to commence or continue the enforcement and the precautionary actions (or, in any event, to take any initiatives prohibited under the relevant measures). As already described with reference to debt restructuring agreements, the measures can also be requested pursuant to Article 44 of the Italian Insolvency Code, together with a pre-petition for the access to one of the restructuring tools provided for by the Italian Insolvency Code.

The composition proposal filed in connection with the petition may provide for: (i) the restructuring and payment of debts and the satisfaction of creditors' claims (provided that, in any case, it will ensure payment of the unsecured receivables in a percentage of at least 20%, except for the case of composition with creditors with continuity of the going concern (*concordato con continuità aziendale*)), including through extraordinary transactions, such as the granting to creditors and to their subsidiaries or affiliated companies of shares, bonds (including bonds convertible into shares), or other financial instruments and debt securities; (ii) the transfer to a receiver (*assuntore*) of the operations of the debtor company making the composition proposal; (iii) the division of creditors into classes (which is mandatory in certain cases provided under the Article 85 of the Italian Insolvency Code), provided that each class is composed of creditors having homogeneous legal positions and economic interests; and (iv) different treatment of creditors belonging to different classes. The composition proposal may also contain a proposed tax settlement for the partial or deferred payment of certain taxes. Save for the provisions provided for under Article 109 of the Italian Insolvency Code, Article 86 of the Italian Insolvency Code has provided that, in the context of a composition with creditors on a going concern basis (*concordato con continuità*), the plan may provide for a standstill for the secured creditors, which may extend up to six months from the date of sanctioning (*omologa*) of the composition with creditors proposal for the payment of secured creditors (*creditori privilegiati*) pursuant to Article 2751-*bis*, no. 1, of the Italian Civil Code (e.g. employees).

Pursuant to Article 84, paragraph 4, the Italian Insolvency Code, in order to strengthen the position of the unsecured creditors, a composition with creditors proposal with liquidation purpose (*concordato liquidatorio*) (i.e., a composition with creditors proposal aiming at having all the assets sold in the creditors' interest by the judicial commissioner) must ensure that (i) external resources are contributed which increase the assets available at the time of the filing of the petition by at least 10% and (ii) the degraded secured creditors as well as unsecured creditors are paid in a percentage equal to 20% of their total claims. In this respect, it should be noted that resources contributed for the purpose of a composition with creditors proposal with liquidation purpose (*concordato liquidatorio*) may be distributed notwithstanding the provisions set forth under Articles 2740 and 2741 of the Italian Civil Code provided that such distribution complies with the 20% requirement set forth above. Resources contributed are considered as "external" when provided for any reason by the debtor's shareholders with no obligation of repayment or subordination, in relation to which the plan provides them to be for the sole benefit of the creditors. This provision does not apply to composition with creditors proposals based on the continuation of the going concern (*concordato con continuità aziendale*).

Under the composition with creditors, there is no dispossession of the debtor who accordingly retains management powers under the supervision of a court-appointed official (*commissario giudiziale*) and the delegated judge (*giudice delegato*). From the date of the publication of the petition to the date on which the court sanctions the *concordato preventivo*, the debtor is entitled to operate in the ordinary course of its business, although extraordinary transactions require the prior written approval of the court. Provided that the abovementioned measures are requested, during this time, all enforcement actions, precautionary actions and interim measures sought by the creditors, whose title arose beforehand, are stayed. The accrual of interests is suspended for the same timeframe, except for claims secured by pledges, liens or mortgages. Any act, payment or security executed or created after the filing of the *concordato preventivo* application

and in accordance with its rules and procedures is exempt from claw-back action. The debtor is also exempted from certain bankruptcy crimes provided under Articles 322, third paragraph ("*preferential bankruptcy*"), and 323 ("*simple bankruptcy*") of the Italian Insolvency Code, in relation to acts and payments made in execution of the composition with creditors and/or in relation to finance provided under Article 99 of the Italian Insolvency Code upon judicial authorization. Claims arising from acts lawfully carried out by the distressed company have super senior priority (*prededucibilità*) in the event of a subsequent judicial liquidation (see Statutory priorities below).

For some details regarding super senior financing, please refer to the following paragraph (*Available financing forms under the Italian Insolvency Code*).

The filing of the petition for the *concordato preventivo* may be preceded by the filing of a preliminary and simplified petition pursuant to Article 44 of the Italian Insolvency Code (which may be utilised by the debtor also to access either a debt restructuring agreement or a restructuring plan subject to approval by the court (*piano di ristrutturazione soggetto ad omologazione*) or a *concordato*). The debtor may file such petition, reserving the right to submit the underlying plan, the proposal and all relevant documentation (or the debt restructuring agreement, or the restructuring plan) within a period assigned by the court (a) between 30 and 60 days from the date of the filing of the preliminary petition, subject to only one possible further extension of up to 60 days, where there are reasonable grounds for such extension (*giustificati motivi*). If the debtor files this preliminary petition, the court may, among other things: (i) appoint a judicial commissioner (*commissario giudiziale*) to overview the company, who, in the event that the debtor has carried out one of the activities under Article 106 of the Italian Insolvency Code (e.g., concealment of part of assets, omission to report one or more claims, declaration of nonexistent liabilities or commission of other fraudulent acts), will report it to the Court, which, upon further verification, may reject the petition at Court for a *concordato preventivo*; and (ii) set forth reporting and information duties of the company during the abovementioned period. As mentioned above, filing the simplified petition, the debtor may request the application of the measures preventing the commencement or continuation of enforcement and precautionary actions.

Pursuant to Article 44, paragraph 1, letter c) of the Italian Insolvency Code, the decree setting the term for the presentation of the documentation contains also the periodical information requirements (also relating to the financial management of the company and to the activities carried out for the purposes of the filing of the application and the restructuring plan) that the company has to fulfill, at least on a monthly basis, until the lapse of the term established by the court. The debtor company will file, on a monthly basis, the company's economic and financial situation, which is published, the following day, in the company's register. Non-compliance with these requirements results the revocation of the order granting terms adopted under Article 44, paragraph 1, letter a) and, upon request of the creditors or the public prosecutor and provided that the relevant requirements are verified, in the adjudication of the distressed company into judicial liquidation. If the activities carried out by the debtor company appear to be clearly inappropriate to the preparation of the "full" application, the court may, *ex officio*, after hearing the debtor and – if appointed – the judicial commissioner, reduce the time for the filing of additional documents. Following the filing of the simplified petition and until the decree of admission to the composition with creditors, the distressed company may: (i) carry out acts pertaining to its ordinary activity; and (ii) seek the court's authorization to carry out acts pertaining to its non-recurring activity, to the extent they are urgent. Claims arising from acts lawfully carried out by the distressed company after the filing of the *concordato preventivo* petition (including preliminary petition) have super priority (*prededucibilità*) in case of a subsequent judicial liquidation.

From the filing of a preliminary and simplified petition pursuant to Article 44 of the Italian Insolvency Code the obligations and reasons of dissolution by reduction of share capital set out by the law not apply. The *concordato preventivo* proposal may also provide, inter alia: (i) the continuation of the business by the debtor as going concern (*concordato con continuità aziendale diretta*); or (ii) the transfer of the business to one or more companies (*concordato con continuità aziendale indiretta*) as well as for a particular composition with creditors proceeding through which any assets that are no longer necessary to run the business of the company are liquidated (*concordato misto*). According to Article 84, paragraph 3 of the Italian Insolvency Code, the *concordato con continuità aziendale* may provide for the direct or indirect going concern of the business; the indirect going concern includes, for example, the case of transfer of a business unit and the

winding up of those assets that are not functional to the business. In case of *concordato con continuità aziendale diretta*, the plan and the petition for the *concordato preventivo* must fully describe the costs and revenue that are expected as a consequence of the continuation of the business as a going concern, as well as the financial resources and support which will be necessary. The report of the independent practitioner must also certify, in the case of a going concern, that the plan is likely to prevent or overcome the debtor's insolvency, ensure the economic viability of the company, and accord each creditor treatment no less favourable than he would receive in the event of judicial liquidation. Existing contracts, even if entered with governmental bodies, are automatically not to be terminated by admission to procedure and any agreement to the contrary are ineffective.

The composition agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

Under Article 100 of the Italian Insolvency Code, a debtor who files for a *concordato*, also pursuant to Article 44 of the Italian Insolvency Code based on business continuity may request the court to be authorized to:

(i) repay pre-filing claims relating to the purchase of goods or services if an independent practitioner certifies that they are essential for business continuity and to ensure the best satisfaction of creditors; the court may authorize payment of the remuneration due, for the months preceding the filing of the application for the composition with creditors, to the workers employed in the business whose continuation is envisaged under the plan;

(ii) repay, in accordance with the relevant contractual terms, the installments due under a loan agreement which is secured by way of a security interest over the assets used in the business, provided that: (a) at the date of the filing of the application for admission to the composition with creditors, the debtor has fulfilled its obligations or the court authorizes the payment of the debt for principal and interest due at that date; and (b) the independent practitioner certifies (i) that such payments are essential for the continuation of the business activity and functional to ensuring the best satisfaction of the creditors and, (ii) that the secured claims can be fully satisfied with the proceeds of the liquidation of the asset carried out at market value and that the repayment of the installments due does not prejudice the rights of the other creditors.

If the court determines that the composition proposal is admissible, it appoints a judge (*giudice delegato*) to supervise the procedure, appoints one or more judicial commissioners (*commissari giudiziali*) and schedules a specific period of time during which creditors can express their vote. During the implementation of the proposal, the company generally continues to be managed by its corporate bodies (usually its board of directors), but is supervised by the appointed judicial officers and judge (who will authorize all transactions that exceed the ordinary course of business).

Article 91 of the Italian Insolvency Code provides that, if the composition with creditors' plan includes an irrevocable offer for the sale of the debtor's assets or the sale of a going concern of the debtor to an identified third party, the court or the delegated judge shall order that appropriate publicity is given to the offer in order to acquire competing offers. If expressions of interest are received, the Court or the delegated judge shall order the opening of the competitive proceeding. Furthermore pursuant to Article 91, paragraph 4, the judicial decree referred above establishes the procedures for the submission of irrevocable offers, providing that in all cases, among others, the following is ensured: (a) their comparability, (b) the requirements for the participation of the bidders, (c) the forms and timing of access to relevant information, (d) any limits on the use of such information, (e) the manner in which the judicial commissioner must provide information to those who request it, (f) the manner in which the competitive procedure is to be conducted, (g) the minimum increase in the consideration to be provided by the subsequent offers, (h) the guarantees to be given by the bidders, (i) the forms of publicity, and (l) the date of the hearing for the evaluation of the bids if the sale takes place before the court. With the sale or with the assignment, whichever is earlier, to a person other than the original bidder identified in the plan, the latter and the debtor are released from their obligations towards each other and accordingly the debtor shall amend the proposal and plan in accordance with the outcome of the competitive proceeding. A competitive proceeding shall be pursued also in case the *concordato con*

continuità provides for a third party offer to lease or transfer the business or one or more branches of the business.

In a *concordato con continuità* if the plan provides for the transfer of certain assets or the business, the Court may appoint one or more liquidator and a creditors committee to carry out the liquidation procedures; more in general, in a *concordato preventivo* if the plan provides for transformation, merger or demerger of the company it shall be published in the companies register and any creditor may oppose to its approval. The debtor shall carry out the transformation/merger/demerger activities after the approval of the *concordato preventivo* by the Court or even before its approval upon a specific Court's authorization

The composition with creditors with liquidation purposes (*concordato preventivo liquidatorio*) is voted on within the period of time scheduled by the court and must be approved with the favorable vote of the creditors representing the majority of the receivables admitted to vote and, in the event that the proposal provides for more classes of creditors, the majority of the receivables admitted to vote shall be reached the majority of the classes. Pursuant to Article 109, paragraph 1, of the Italian Insolvency Code, in case one creditor holds more than the majority of receivables admitted to voting, it is also necessary to reach majority by headcount. The *concordato preventivo* is approved only if the required majorities of creditors expressly voted in favor of the proposal. Secured creditors are not entitled to vote on the proposal of *concordato preventivo* whether they are provided for full payment, unless and to the extent they waive their security, or the *concordato preventivo* provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal.

The court may approve the *concordato preventivo* (notwithstanding the circumstance that one or more classes objected to it) if: (i) the majority of classes has approved it; and (ii) the court deems that the interests of the non-adhering creditors would be adequately safeguarded through it compared to other solutions (in particular in comparison with the judicial liquidation). If an objection to the implementation of the *concordato preventivo* is filed by 20% of the creditors or, in case there are different classes of creditors, by a creditor belonging to a non-adhering class, entitled to vote, the court may nevertheless sanction the *concordato preventivo* if it deems that the relevant creditors' claims are likely to be satisfied to a greater extent as a result of the *concordato preventivo* than would otherwise be the case (including the judicial winding-up).

Furthermore, pursuant to Article 90 of the Italian Insolvency Code provides for the possibility for creditors (except for individuals or entities controlled, controlling or under common control of the debtor) holding at least 5% of the aggregate claims against a debtor to present an alternative plan (*proposta concorrente*) to the debtor's plan - within 30 days prior the initial date set for the creditors' vote on the debtor's plan - in a court supervised composition with creditors proceedings (*concordato preventivo*) subject to certain conditions being met, including, in particular, that the proposal of the debtor does not ensure recovery of at least 30% of the unsecured claims (*crediti chirografari*), considering also that such percentage is reduced to 20% in case the debtor has filed for a *composizione negoziata* provided for pursuant to Article 13 of the Italian Insolvency Code.

The composition with creditors on a going-concern basis (*concordato con continuità*), is approved if all the creditors' classes vote in favor of such composition with creditors arrangement. In each class, the relevant composition with creditors' proposal is approved if the majority of the claims allowed to vote is reached or, failing that, if two-thirds of the claims of the voting creditors have voted favorably, provided that the creditors holding at least half of the total claims of the same class have voted. In case of non-approval, Article 112, paragraph 2, of the Italian Insolvency Code shall apply upon the debtor's request. In this respect, it should be noted that secured creditors do not vote if their claims are satisfied in cash, in full, within 180 days from the sanctioning (*omologa*) of the *concordato con continuità* and provided that the security interests supporting the related claims remains firm until the winding-up, functional to their satisfaction. In case of claims of employees or other claims secured under Article 2751-*bis* of the Italian Civil Code, the delay is reduced to 30 days from the approval by the court.

Pursuant to Article 112, paragraph 5 of the Italian Insolvency Code, after the approval of the composition with creditors with liquidation purposes (*concordato preventivo liquidatorio*) or of the composition with creditors which provides for assignment of the assets to an assumptor or in any other form, if a dissenting creditor belonging to a dissenting class or, in the event that classes are not formed, dissenting creditors representing 20% of the claims allowed to vote, may file an opposition (*opposizione*), challenging the economic convenience of the plan. In such case, the court has the authority to "cram-down" non-adhering creditors, compelling their acceptance of the plan, if it deems that the proposed treatment of their claims is equivalent to what they would recover in a judicial liquidation scenario liquidation as of the date of the filing for the sanctioning of the *concordato preventivo*. After the creditors' approval, the Court approves the composition with creditors and appoints one or more liquidators in order to execute the approved plan if it has to be realized by way of a transfer of assets. The Court may grant special powers to the judicial commissioner to implement the plan if the debtor does not cooperate, including by taking all corporate actions required.

In the composition with creditors on a going-concern basis (*concordato con continuità*), if a dissenting creditor opposes the proposal, the court may nevertheless sanction the *concordato preventivo* if it deems that the relevant creditor's claim will likely be satisfied to an extent not lower than what would be the case in a judicial liquidation.

Creditors who did not exercise their voting right will be deemed not to approve the *concordato preventivo* proposal. In relation to voting by holders of the Securities in the *concordato* proceedings, the interactions between (i) the provisions set forth under the Conditions with respect to meetings of holders of the Securities, the applicable majorities and the rights of each holder of the Securities to vote in the relevant meeting and (ii) applicable Italian law provisions relating to quorum and majorities in meetings of holders of bonds issued by Italian companies are largely untested in the Italian courts (recent case law has however affirmed the right of bondholders whose vote may be tainted by conflict of interest as could be the case of disenfranchised bondholders to be computed for the purposes of relevant *quora* and be admitted to vote, albeit in a specific class).

Among others, (i) the companies controlling the debtor, controlled by the debtor and those under the control of the entity controlling the debtor, (ii) the assignees of the claims of the entities under point (i), if the assignment has been perfected during the year preceding the *concordato* and (iii) creditors in conflict of interest are excluded from voting.

The Court approves the *concordato preventivo liquidatorio* even in the absence of a vote by the tax authority or by the social contribution entities (*enti gestori di forme di previdenza o assistenza obbligatorie*) when their positive vote is decisive for the purposes of achieving the majorities referred to in Article 109, paragraph 1 of the Italian Insolvency Code, also on the basis of the result of the report of the independent practitioner referred to in Article 88 of the Italian Insolvency Code, the proposal to satisfy the aforesaid authorities and entities is convenient compared to a judicial liquidation scenario.

Pursuant to Article 111 of the Italian Insolvency Code, if the creditors do not approve the *concordato preventivo*, the delegated judge (*giudice delegato*) shall promptly inform the court which, having decided that the appropriate conditions apply, shall declare the opening of the judicial liquidation proceeding, unless the debtor, within seven days after the notice referred to in Article 110, Paragraph 2, applies for approval or gives consent in accordance with Article 112, Paragraph 2.

The terms and the performance of the outstanding contracts which have been entered into, from time to time, by the debtor are not automatically affected by the *concordato preventivo* proceeding and normally continue pending the procedure, any agreement to the contrary being ineffective. However, pursuant to Article 97 of the Italian Insolvency Code, the debtor may request the competent court to be authorized to terminate or to suspend pending agreements (*contratti ancora ineseguiti o non compiutamente eseguiti*) if the continuation of such agreements is inconsistent with the prospects and the execution of the composition with creditors' plan, except for certain agreements which are excluded from the scope of the above provision (e.g., employment agreements (*rapporti di lavoro subordinato*), residential real estate preliminary sale agreements (*contratti preliminari di vendita aventi ad oggetto immobili ad uso abitativo*),real estate lease

agreements (*contratti di locazione di immobili*) and financing contract intended for a single business (*contratto di finanziamento destinato ad un unico affare*). The request may be filed with the competent court at the time of the filing of the application for the *concordato preventivo* or to the judge (*giudice delegato*), if the application is made after admission to the procedure. Upon the debtor's request, the pending agreements can also be suspended for a period of time not longer than the term granted by the court upon the filing of the preliminary petition. When the composition proposal together with the relevant plan have been submitted, the suspension may also be authorized by the court for a further duration, which, however, may not exceed thirty days from the date of the decree opening the procedure, which may not be further extended. In such circumstances, the other party has the right to receive an indemnification equivalent to the damages suffered for the non-fulfillment of the agreement. Such indemnification would be paid as a debt pre-existing to the filing of the petition for admission to the *concordato preventivo* procedure.

After the approval of the *concordato preventivo* the plan may require certain material amendments for its execution: an independent practitioner shall certify the amended plan, then the plan and the expert's certification shall be submitted to the judicial commissioner, who shall report to the court pursuant to Article 118, paragraph 1. Verified those material amendments the Court orders its publication in the company's register and the communication to each creditor by the judicial commissioner, within 30 days from the notification each creditor may oppose to the amended plan. The Court resolves the creditors' oppositions (if any) and approves the amended plan.

Pursuant to Articles 119 and 120 of the Italian Insolvency Code, in the event of a breach of the composition with creditors plan or fraud, provided that the relevant requirements are met, the *concordato* can be terminated or annulled, as the case may be, upon petition of one or more of the creditors and the judicial liquidation may follow, at the behest of the relevant court. If the composition with creditors is implemented, terms and conditions of payments are amended as per the *concordato* proposal, and the debtor may return to its usual operations (if the assets of the company are still in his possession). *Concordato preventivo* is compulsory for all creditors prior to the publication of the application in the companies' register. However, creditors retain without prejudice their rights against co-debtors and guarantors of the debtor.

In case of non-minor breaches, the *concordato* may be terminated by each of the creditors or the judicial commissioner (upon request by one or more of the creditors). The relevant petition must be brought within one year from the deadline originally scheduled for the last activity to be carried out under the *concordato* itself. The *concordato* may also be annulled upon request of the judicial commissioner or of one or more creditors in case a portion of the assets of the debtor has been concealed or the liabilities have been willfully exaggerated. The relevant petition must be brought within six months from the discovery of the concealment/exaggeration and, in any event, within two years from the deadline originally scheduled for the last activity to be carried out under the *concordato* itself.

Available financing forms under the Italian Insolvency Code

Interim financing - Article 99 Paragraph 1 to 4 Italian Insolvency Code

The provision of Article 99 of the Italian Insolvency Code applies to the court-supervised compositions with creditors (*concordato preventivo*) as well as to the debt restructuring agreement by express reference of Article 57, paragraph 4-*bis*, of the Italian Insolvency Code.

Pursuant to Article 99, paragraphs 1 and 2, of the Italian Insolvency Code, in the context of restructuring transactions on a going concern basis, also in cases in which business continuity is maintained exclusively in a view of liquidation, the Court, after the filing of a petition pursuant to Articles 40 or 44 of the Italian Insolvency Code and pending the sanctioning (*omologazione*) of the debt restructuring agreement pursuant to Article 57 (or Article 60 or 61) of the Italian Insolvency Code or a petition pursuant to Article 87 of the Italian Insolvency Code (in relation to the court-supervised compositions with creditors (*concordato preventivo*)) may authorize the debtor, if so expressly requested to incur in new super senior indebtedness and to secure such indebtedness, subject to the court's authorization with in rem security (*garanzie reali*), or by assigning claims, provided that: (i) the petition specifies (A) the purpose of the financing; (B) that the debtor is unable to otherwise obtain the required funds and (C) that the absence of such financing will entail

an imminent and irreparable prejudice to the going concern or to the proceedings; and (ii) the practitioner appointed by the debtor, having verified the overall financial needs of the company until the sanctioning (*omologazione*), declares that the new financing are functional to the continuity of the business activities until the sanctioning (*omologa*) of the relevant insolvency proceedings or to the opening of the proceedings or to conduct them and, in any case, are aimed at providing a better satisfaction of the rights of the creditors. The expert report is not necessary in case the court recognizes that there is the urgent need to avoid an imminent and irreparable prejudice to the going concern. In the event of the subsequent admission of the debtor to the judicial liquidation proceeding (*liquidazione giudiziale*), the aforementioned financings do not enjoy the super senior priority status (*prededucibilità*) in case the petition or the expert report contain false data or omit important information or in case the debtor performed acts in fraud of the creditors (*atti in frode ai creditori*) and the judicial receiver proves that who made available such financings to the debtor, had knowledge of such circumstances at the date of the disbursement.

Bridge Financings - Article 99 Paragraph 5 Italian Insolvency Code

Pursuant to Article 99, paragraph 5, of the Italian Insolvency Code, financings granted, in any form, in view of (i.e., before the) presentation of a petition for the approval (*omologazione*) of a court-supervised composition with creditors (*concordato preventivo*) or of a debt restructuring agreement (by express reference of Article 57, paragraphs 4-*bis* of the Italian Insolvency Code) (*finanza ponte*), may be granted such priority status provided that (i) they meet the requirements of Article 99, paragraphs 1 and 2 (described above), and (ii) such financings are envisaged by the relevant plan or agreement and the priority status is expressly provided for by the court at the time of opening of the *concordato preventivo*or sanctioning (*omologazione*) of the debt restructuring agreement. The indebtedness under such financing option may be secured, subject to the court's authorization, with in rem security (*garanzie reali*), or by assigning claims.

Implementation financing - Article 101 Italian Insolvency Code

In restructuring transactions on a going concern basis, pursuant to Article 101 of the Italian Insolvency Code, any financing granted to the debtor pursuant to a court-supervised pre-judicial liquidation composition with creditors or of a debt restructuring agreement (by express reference of Article 57, paragraphs 4-*bis* of the Italian Insolvency Code) sanctioned by the competent Court and expressly provided for in the relevant plan, enjoy super senior priority status (*prededucibilità*) in case of subsequent judicial liquidation, save for the below (such status also applies to financing granted by shareholders, but only up to 80% of such financing, unless the lender has become a shareholder of the debtor as implementation of the debt restructuring agreement or of the composition with creditors, as in such case the priority status is afforded to 100% of the financing) according with the provisions set forth in Article 221 of Italian Insolvency Code.

The shareholders' financing – Art. 102 Italian Insolvency Code

Pursuant to Art. 102, Paragraph 1 of the Italian Insolvency Code super senior ranking status also applies to any financings made available by shareholders in any form (including any guarantee facility or granting counter-indemnities) up to 80% of their amount.

Paragraph 2 of Article 102 of the Italian Insolvency Code clarifies that, to the extent the financing is made available by an entity becoming a shareholder in the context of and by way of implementation of a composition with creditors or debt restructuring agreement, all the claims deriving from such financings benefit of super senior ranking status and the 80% threshold limitation set out in Paragraph 1 does not apply.

Super senior ranking - Art. 99 Paragraph 6 and 101 Paragraph 2 Corporate Crisis and Insolvency Code

Super senior ranking (*prededucibilità*) of the claims is the most relevant feature of bridge financings, interim financings and implementation financings as described in the paragraphs above.

Pursuant to Article 6, paragraph 1 of the Italian Insolvency Code, the claims deriving from such financings are expressly qualified as super senior by law and by Article 6, paragraph 2 of the Italian Insolvency Code which clarifies that their super senior ranking natures continues in the context of any subsequent insolvency or enforcement proceedings (including in a judicial liquidation or any so-called minor proceedings).

As already explained above, super senior ranking nature of such financings will be excluded in case of acts of fraud (which may be relevant also in the context of debt restructuring agreements).

Such limit to super senior ranking is regulated differently for interim financings and bridge financings on the one side and for the implementation financings on the other side.

More specifically, for interim financings or bridge financings false data or omission of relevant information are relevant when found by the court in the request for the incurrence of the financings or the attestation of the independent expert, whilst for implementation financings such elements are relevant when included in plan underlying the composition with creditors or the debt restructuring agreement.

With reference to interim financings and bridge financings, Article 99, paragraph 6 of the Italian Insolvency Code provides that, in case of the opening of a judicial liquidation, such financings (although authorized by the court in the context of the composition with creditors or the debt restructuring agreement) do not benefit from super senior ranking when it is proved (jointly) that:

(i) the request or the independent expert report contains false data or omits relevant information, or when the debtor has committed acts to defraud creditors in order to obtain the authorization; and

(ii) the receiver proves that the entities who provided the financing, at the date of issuance, knew the aforementioned circumstances.

With reference to implementation financings, the relevant provisions are set out in Article 101, paragraph 2 of the Italian Insolvency Code providing that such financings do not benefit from the super senior ranking, in case of the opening of a judicial liquidation (alternatively):

(i) when, based on an assessment to be made at the time of filing of the petition for the opening of the proceeding, the plan underlying the composition with creditors or debt restructuring agreement (by express reference of Article 57, paragraphs 4-*bis* of the Italian Insolvency Code) turns out to be based on false data or on the omission of relevant information; or

(ii) when the debtor has carried out acts of fraud towards its creditors and the receiver proves that the lenders providing the financings were aware of such circumstances at the time of the establishment of the financings.

Restructuring plan subject to validation (piano di ristrutturazione soggetto ad omologazione) pursuant to Article 64-bis of Italian Insolvency Code

The Italian Insolvency Code introduced a new figure of the restructuring plan subject to validation *(piano di ristrutturazione soggetto ad omologazione*) (the so-called "*PRO*") the rules of which are set out in Articles 64-bis and 64-ter of the Italian Insolvency Code.

In the PRO, distribution rules of ordinary insolvency proceedings may be disregarded provided that strict requirements are met. The PRO is reserved for a debtor in crisis or insolvent that plans to satisfy its creditors by dividing them into classes according to homogeneous legal positions and economic interests.

The PRO allows the plan's proceeds to be distributed even in derogation of the principle of "*par condicio creditorum*" (i.e., the equal treatment of creditors), provided that the proposal is approved by unanimous consent of the classes. An independent expert shall assess the feasibility of the restructuring plan and the truthfulness of business data. A judgement of admissibility is provided for by the court, which is called upon to assess the proposal's timeliness and to verify the correctness of the class formation criteria.

From the date of submission of the application until its approval, the debtor maintains the ordinary and extraordinary management of the company in the prevailing interest of the creditors under the supervision of the judicial commissioner and must inform the judicial commissioner in advance for the performance of acts falling outside the ordinary course of business and for payments inconsistent with the restructuring plan. The debtor is, in any case, allowed to amend the application at any time, formulating a proposal of composition with creditors (*concordato preventivo*). In that case, the time limit for approval is reduced by half. Similarly, the debtor that filed an application for composition with creditors may amend the application

by applying for court validation of the restructuring plan provided that the application is made before the voting procedure commences.

In each class, the proposal is approved if a majority of the claims allowed to vote is reached or, failing that, if creditors representing two-thirds of the claims admitted to vote have voted in favour, provided that creditors holding at least half of the total claims of such class have voted. The court shall approve the restructuring plan if all classes voted in favour of the proposal. If a dissenting creditor objects to the proposal, the court shall approve and validate the restructuring plan if the proposal satisfies the claim to an extent not lower than that resulting from a judicial liquidation.

Against the validation judgment of the court, the parties may file an appeal to the competent Court of Appeal within the term of 30 days from the notification of the relevant judgement.

The Third Corrective Decree has provided for the possibility for the debtor to propose to the Italian Tax Authority the entering into a settlement agreement before the filing an appeal for the sanctioning of a PRO. The settlement agreement may provide for a partial or deferred payment of the debts; an independent expert shall certify its convenience compared to the alternative of judicial liquidation and the truthfulness of the company's data. The Italian Tax Authority shall approve the entering into the settlement agreement within 90 days from the proposal, but if the debtor amends the proposed agreement, such term shall be extended for further 60 days. And in case those amendments are material (i.e. the debtor propose a different settlement agreement), the Italian Tax Authority has further 90 days from the new proposal to accept the agreement.

As stated by the Third Corrective Decree, the PRO may provide for the transfer of the business or one or more business units (even before the sanctioning of the PRO). The debtor shall select the transferee within a competitive proceeding and shall prove to the Court that such transfer is functional to the going concern and the best satisfaction of creditors. The proposed transaction shall be approved by the Court.

Judicial Liquidation (Liquidazione Giudiziale)

The Judicial Liquidation is declared by the competent Court upon request of either (i) any creditors, (ii) the debtor itself, or (iii) under certain circumstances, a judicial prosecutor. Judicial Liquidation applies to commercial enterprises (*imprenditori commerciali*) that do not classify as "small enterprises" (in relation to which the controlled liquidation (*liquidazione controllata*) is applicable) that are "insolvent" *i.e.* no longer able to regularly meet their obligations with ordinary means as they come due. The judicial liquidation is declared by the competent court.

Upon the commencement of judicial Liquidation, amongst other things:

- creditors cannot start or continue enforcement and precautionary actions on any assets of the enterprise. However, under certain circumstances, secured creditors may enforce their claims against the secured asset as soon as such claims are admitted to the judicial liquidation liabilities (through a specific claims assessment procedure provided for by the Italian Insolvency Code) as secured claims. Secured claims are paid out of the proceeds of the liquidation of the relevant secured assets. Any shortfall will be considered unsecured and rank *pari passu* with all of the debtor's other unsecured and unsubordinated debt (subject to any priorities by operation of law). Creditors whose claims are secured by a pledge (*pegno*) or special lien on movable assets (*privilegio speciale*) may be authorized by the judge (*giudice delegato*) to sell their respective collateral. After hearing the judicial receiver and the creditors' committee, the judge decides whether to authorize the sale, and sets forth the timing in its decision. Banks whose claims are secured by a mortgage (*ipoteca*) over a real estate asset of the debtor may be entitled, at certain conditions, to enforce their security without the need for prior authorization of the court;
- certain acts, such as payments, security interests granted or transactions entered into by the enterprise in a certain period before the commencement of the judicial liquidation (or after the commencement of the judicial liquidation) may be clawed back by the court and become ineffective against creditors if certain conditions are met;

- the administration of the company and the management of its assets are transferred to a judicial receiver appointed by the court (*curatore giudiziale*);
- any act (including payments, pledges and issuance of guarantees) made by the company after the commencement of the judicial liquidation other than those made by the judicial receiver are ineffective against the creditors;
- continuation of business may be authorized by the court but only if the continuation of the company's business is not harmful to its creditors; and
- as a general rule, the performance of contracts and/or transactions pending as of the date of commencement of judicial liquidation is suspended until the judicial receiver decides whether to assume or terminate them; specific rules apply for certain kinds of contracts which continue even after the declaration of opening of the judicial liquidation.

The Judicial Liquidation is supervised by a Court-appointed judicial receiver, a deputy judge (*giudice delegato*) and a creditors' committee (*comitato dei creditori*). The creditors' committee, as specifically provided for by law, has in some cases power over the judicial receiver and, in general, consultation functions over the latter and vigilance authority over the judicial liquidation proceedings. The judicial receiver is not a representative of the creditors, but is responsible for the liquidation of the assets of the debtor for the satisfaction of the creditors. The proceeds from the liquidation are distributed in accordance with statutory priority rights. The liquidation of a debtor's asset can take a considerable amount of time, particularly in cases where the debtor's assets include real estate or other illiquid assets.

The proceeds of liquidation shall be allocated according to the following order (i) super-senior claims (*crediti prededucibili*), including administrative costs associated with the judicial liquidation proceedings and costs related to the judicial receiver's running of the company and (ii) secured claims (*crediti privilegiati*), including claim of Italian tax authorities, national social security contributions and claims for employee wages. Such priority of payments is provided under mandatory provisions of Italian law: as a result, it is uncertain whether contractual priority of payments such as those commonly provided in intercreditor arrangements would be recognized by an Italian bankruptcy court. Unsecured creditors are satisfied, after payments are made to super-senior and secured creditors, out of available funds and assets (if any) as below indicated. However, as noted above, secured creditors are satisfied with priority over all other creditors only with respect to the liquidation proceeds of their collateral; in addition, super-senior creditors are satisfied with priority over other creditors but generally rank behind secured creditors with respect to the distribution of proceeds of their collateral.

Composition with Creditors in the judicial liquidation (Concordato nella liquidazione giudiziale)

Pursuant to Article 240 of the Italian Insolvency Code, the judicial liquidation proceeding can terminate through a proposal for a composition with creditors in judicial liquidation *(concordato nella liquidazione giudiziale)*. The proposal can be filed by one or more creditors or third parties, from the date of the declaration of judicial liquidation. By contrast, the debtor and its subsidiaries can file such proposal after one year following such declaration (and provided that two years have not elapsed since the decree making the statement of liabilities enforceable), provided that the proposal provides for the contribution by the company of resources that increase by at least 10% the value of the company's assets. Secured creditors are not entitled to vote on the proposal for composition with creditors in judicial liquidation whether such a proposal provides for their entire payment, unless and to the extent they waive their security or the composition with creditors in judicial liquidation provides that they will only receive satisfaction in an amount equal to the liquidation value of their secured assets (such value being assessed by an independent expert), in which case they can vote with respect to the part of their debt that is treated as an unsecured claim.

The proposal may provide for the division of creditors into classes (thereby proposing different treatments among the classes), the restructuring of debts and the satisfaction of creditors' claims in any manner. The proposal may also provide for the proponent to limit its commitments, made with the composition with creditors, to only those creditors who have been admitted to the judicial liquidation liabilities and those who

have filed an objection to the statement of liabilities or late application for admission at the time of the proposal.

The proposal for a composition with creditors in judicial liquidation must obtain the favorable opinion of the creditors' committee and shall be approved by the creditors holding the majority (by value) of claims (and, if classes are formed, also by a majority (by value) of the claims in the majority of classes). Final court validation is also required.

Statutory Priorities

The statutory priority given to creditors under Italian Insolvency Code may be different from that which is in effect in the United States, the United Kingdom and other EU jurisdictions. These rules are generally of mandatory application.

Article 221 of Italian Insolvency Code provides that, as a general matter, proceeds of liquidation shall be allocated according to the following order: (i) for the payments of super-senior claims (*i.e.*, claims originating in the insolvency proceeding, such as costs related to the procedure or the operation of the business during the proceedings); (ii) for the payment of secured claims; and (iii) for the payment of unsecured creditors' claims. Super-senior creditors, however, are typically junior to secured creditors with respect the liquidation proceeds of their collateral. More specific rules are also provided by the law in order to establish a ranking of priorities within the category of secured creditors, depending on the nature of the claims or of the creditors and the type of the security interest.

Avoidance Powers in Insolvency

Under Italian law, there are "clawback" or avoidance provisions that may lead to, *inter alia*, the revocation of payments made, transactions entered into or security interests granted by the debtor prior to the opening of a judicial liquidation proceedings. The key avoidance provisions include, but are not limited to, transactions made below market value, preferential transactions and transactions made with an intent to defrauding creditors or to the advantage of one creditor. Clawback rules under Italian law are normally considered to be particularly favorable to the judicial receiver in judicial liquidation proceedings, as compared to the rules applicable in other jurisdictions.

In judicial liquidation proceedings, depending on the circumstances, the Ital Italian Insolvency Code provides for a claw-back period of up to two-years (six months in certain circumstances) and a two-year ineffectiveness period for certain payments and other transactions. Further, as described below, in the context of extraordinary administration procedures (*amministrazione straordinaria*), the claw-back period may last up to three or five years.

The Italian Insolvency Code distinguishes between acts or transactions that are ineffective by operation of law and acts or transactions that may be voidable at the request of the judicial receiver/ court commissioner, as detailed below.

Acts Ineffective by Operation of Law

Under Article 163 of the Italian Insolvency Code and subject to certain limited exceptions, all transactions entered into by the debtor for no consideration are ineffective *vis-à-vis* creditors if entered into in the two-year period prior to the petition for judicial liquidation followed by the opening of the judicial liquidation or after the filing. Any asset disposed by the debtor pursuant to a transaction which is ineffective pursuant to the above-mentioned Article 163 of the Italian Insolvency Code becomes part of the judicial liquidation estate by operation of law upon registration (*trascrizione*) of the declaration of Judicial Liquidation, without further action by a court. Any interested person may challenge the registration before the judge (*giudice delegato*).

Under Article 164 of the Italian Insolvency Code, payments of debts falling due on the day of the declaration of judicial liquidation or thereafter are deemed ineffective *vis-à-vis* creditors if made by the debtor in the two-year period prior to the petition for judicial liquidation followed by the opening of the judicial liquidation or after the filing.

If the judicial liquidation proceedings are opened after a composition with creditors, the claw-back period is further extended because, by operation of law, it is calculated backwards from the opening of the latter proceedings.

Acts that could be declared ineffective at the request of the judicial receiver

The following acts and transactions, if carried out during the period specified below, may be clawed back (*revocati*) as provided for by Article 166 of the Italian Insolvency Code and may be declared ineffective unless the other party proves that it had no actual or constructive knowledge of the debtor's insolvency when the payment was made or the transaction carried out:

- transactions for consideration carried out after the filing of the petition for judicial liquidation or in the previous year, where the value of the debt or of the obligations undertaken by the company exceeds 25% the value of the consideration received by and/or promised to the company;
- payments of debts, due and payable, made by the debtor, which were not paid in cash or by other customary means of payment after the filing of the petition for judicial liquidation or in the previous year, or in the previous two years if the counterparty was a company belonging to the same group;
- pledges and voluntary mortgages granted by the debtor after the filing of the petition for judicial liquidation or in the previous year in order to secure pre-existing debts not then due and payable; and
- pledges, antiques and voluntary or judicial mortgages granted by the debtor after the filing of the petition for judicial liquidation or in the prior six months in order to secure debts that were due and payable.

The following acts and transactions, if carried out during the period specified below, may be clawed back (*revocati*) and declared ineffective if the judicial receiver proves that the other party knew that the company was insolvent at the time of the act or transaction:

- the payments of due and payable debts and any transactions for consideration entered into or made after the filing of the petition for judicial liquidation or in the prior six months; and
- the granting of security interests to secure debts incurred at the time of such grant after the filing of the petition for judicial liquidation or in the prior six months.

Pursuant to Article 166, paragraph 3 of the Italian Insolvency Code, the following payments and transactions are exempted from claw-back actions:

- payments for goods or services made in the ordinary course of business and in accordance with market practice;
- a remittance on a bank account, provided that it does not reduce the company's debt towards the bank in a material and lasting manner;
- a sale, including an agreement for sale registered pursuant to Article 2645-*bis* of the Italian Civil Code, which registration is currently in force, made for a fair value and concerning a residential property that is intended as the main residence of the purchaser or the purchaser's family (within three degrees of kinship) or a non-residential property that is intended as the main seat of the enterprise of the purchaser, provided that, as of the date of the declaration of insolvency, such activity is actually exercised or the investments for the startup of such activity have been carried out;
- transactions pursuant to an out-of-court certified recovery plan (piano attestato di risanamento) (see "—Out of Court Debt Recovery Plans (*Accordi in esecuzione di Piani Attestati di Risanamento*) Pursuant to Article 56 of Italian Insolvency Code" above);
- transaction pursuant to a court supervised composition with creditors (see "*Court supervised composition with creditors (concordato preventivo)*" above) or a simplified court-supervised pre-

judicial liquidation composition with creditors with liquidation purpose (see "*Potential outcomes: concordato semplificato per la liquidazione del patrimonio*" above) or a sanctioned (*omologato*) debt restructuring agreement (see "*Debt restructuring agreements with creditors (accordi di ristrutturazione dei debiti) pursuant to Article 57 of the Italian Insolvency Code*" above) or a restructuring plan subject to validation (see "*Restructuring plan subject to validation (piano di ristrutturazione soggetto ad omologazione) pursuant to Article 64-bis of Italian Insolvency Code*" above), as well as those legally performed after the application for composition with creditors or debt restructuring agreement;

- remuneration of the company's employees and consultants;
- payments of debts due and payable made on the relevant due date for services necessary to access to pre-insolvency proceedings under Italian law.

In addition, in certain cases, the judicial receiver can request that certain transactions of the company be declared ineffective *vis-à-vis* the creditors within the ordinary claw-back period of five years (*revocatoria ordinaria*) provided for under the Italian Civil Code. Under Article 2901 of the Italian Civil Code, a creditor may demand that transactions through which the debtor disposed of its assets to the detriment of such creditor's rights be declared ineffective with respect to such creditor, provided that the debtor was aware of such detriment (or, if the transaction was entered into prior to the date on which the creditor's claim originated, that such transaction was fraudulently entered into by the debtor in order to cause detriment of such creditor's rights) and that, in the case of a transaction entered into for consideration with a third party, the third party was aware of such detriment (or, if the transaction was entered into prior to the date on which the creditor's claim originated, such third party participated in the fraudulent scheme).

Article 2929-*bis* to the Italian Civil Code provides for a "simplified" claw-back action for the creditor with respect to certain types of transactions carried out by the debtor with the aim to subtract (registered) assets from the attachment by its creditors. In particular, the creditor can start an enforcement proceedings over the relevant assets without previously obtaining a Court decision clawing back/nullifying the relevant (fraudulent) transaction, to the extent that such a transaction had been carried out without consideration (*e.g.* gratuitous transfers, or creation of shield instruments such as trusts or the so-called *fondo patrimoniale*, "family trust"). In the case of gratuitous transfers, the enforcement action can also be carried out by the creditor against the third party purchaser.

Extraordinary Administration for Large Insolvent Companies (Amministrazione Straordinaria delle Grandi Imprese in Stato di Insolvenza)

Pursuant to Legislative Decree No. 270 of July 8, 1999 ("*Prodi-bis*" Law), an extraordinary administration procedure applies to large industrial and commercial enterprises (the "*Prodi-bis*" procedure). The relevant company must be insolvent, but it must demonstrate serious recovery prospects. To qualify for this procedure, the company must have employed at least 200 employees in the previous year. In addition, it must have debts equal to at least two-thirds of its assets as shown in its latest financial statements and two-thirds of its revenues during its last financial year. Any of the creditors, the debtor, the public prosecutor or the competent court may make a petition to commence an extraordinary administration procedure.

The same rules set forth for judicial liquidation proceedings with respect to creditors' claims largely apply to extraordinary administration proceedings. On the contrary, executory contracts which are pending as of the date of opening of the proceedings are not suspended by operation of law and continue in accordance with their terms, unless the extraordinary commissioners appointed to run the proceedings exercise their statutory right to terminate the contracts.

Extraordinary administration procedure consists of two main phases: a "judicial phase" and an "administrative phase".

1. ***Judicial Phase.*** In the judicial phase, the court determines whether the company meets the admission criteria and whether it is insolvent. It then issues a decision to that effect and appoints up to three judicial commissioners (*commissiario giudiziale*) to investigate whether the company has serious

prospects for recovery through a business sale or reorganization. The judicial commissioner files a report with the court within 30 days, and within ten days of this filing, the Italian Ministry of Enterprises and Made in Italy (the "*MIMIT*") may issue an opinion on the admission of the company to the extraordinary administration procedure. The court then decides (within 30 days of the filing of the report) whether to admit the company to the above-mentioned procedure or to declare the judicial liquidation.

2. ***Administrative Phase.*** Assuming that the company is admitted to the extraordinary administration procedure, the administrative phase begins, and the MIMIT appoints one or more extraordinary commissioner(s). The extraordinary commissioner prepare**s** a plan that can provide for either the sale of the business as a going concern within one year, (unless extended by the MIMIT) (the "*Disposal Plan*") or for a reorganization leading to the company's economic and financial recovery within two years (unless extended by the MIMIT) (the "*Recovery Plan*"). The plan may also include a composition with creditors (*e.g.*, a debt for equity swap, an issue of shares in a new company to whom the assets of the company have been transferred, etc.) (*concordato preventivo*). The plan must be approved by the MIMIT, within 30 days from submission by the extraordinary commissioner.

In addition, the extraordinary commissioner issues a report every six months on the financial condition and interim management of the company and delivers it to the MIMIT.

The procedure ends upon successful completion of either a Disposal Plan or a Recovery Plan, failing which the company is declared in judicial liquidation.

Article 91 of *Prodi-bis* Law, setting out the *Prodi-bis* procedure, provides for a special form of insolvency claw-back action in case of intragroup transaction, pursuant to which the suspect period increases from six months to three years and from one year to five years. This is applicable to *Prodi-bis* procedure only in case of implementation of the Disposal Plan.

Industrial Restructuring of Large Insolvent Companies (Ristrutturazione Industriale delle Grandi Imprese in Stato di Insolvenza)

Pursuant to Law Decree No. 347 of December 23, 2003, converted into Law No. 39 of February 18, 2004 ("*Marzano*" Law), the industrial restructuring of large insolvent companies (also known as the "*Marzano*" procedure) applies to insolvent companies larger than those that can be admitted to the "*Prodi-bis*" procedure. In particular, the debtor, on a consolidated basis, must have employed at least 500 employees in the year before the procedure is commenced and its debt must amount to at least €300 million. Except as otherwise provided, the same provisions of "*Prodi-bis*" Law apply. The "*Marzano*" procedure is intended to be faster than the "*Prodi-bis*" procedure. For example, although a company must be insolvent, the application to the Ministry can be made before the court commences the judicial phase. The decision to start a "*Marzano*" procedure is taken by the MIMIT following the debtor's request (which must also file an application for the declaration of insolvency). The MIMIT assesses whether the relevant requirements are met and then appoints the extraordinary commissioner(s) who will manage the company. Separately, the court decides on the company's insolvency.

The extraordinary commissioner(s) has/have 180 days (or 270 days if the MIMIT so agrees) to submit a Disposal Plan or a Recovery Plan. The restructuring through the Disposal Plan or the Recovery Plan must be completed within one year (extendable to two years) and two years, respectively. If no Disposal Plan or Recovery Plan is approved by the MIMIT, the court will declare the company insolvent and open judicial liquidation proceedings.

In 2008, the Italian government enacted an amendment to Law No. 39 of 2004 pursuant to which certain specific provisions applying to large companies carrying out services considered essential to the public were introduced.

Article 91 of the Italian Legislative Decree No. 270/1999 applies also to the Marzano procedure, either in case of a Disposal Plan or in case of a Recovery Plan.

Compulsory Administrative Winding-Up (Liquidazione Coatta Amministrativa)

A compulsory administrative winding-up (*liquidazione coatta amministrativa*) provided for pursuant to Article 293 and ff. of Italian Insolvency Code is only available for certain companies, including, *inter alia*, public interest entities such as state-controlled companies, insurance companies, credit institutions and other financial institutions, none of which can be subject to judicial liquidation proceedings, unless otherwise provided by law. Pursuant to a compulsory administrative winding-up the debtor is liquidated not by the court but by the relevant administrative authority that oversees the industry in which the entity operates. The procedure may be triggered not only by the insolvency of the relevant entity, but also by other grounds expressly provided for by the relevant legal provisions (*e.g.*, with respect to Italian banks, serious irregularities concerning the management of the bank or certain breaches of applicable legal, administrative or statutory provisions).

Under this procedure, the debtor loses control over its assets and a liquidator (*commissario liquidatore*) is appointed to wind up the debtor. The liquidator's actions are monitored by a steering committee (*comitato di sorveglianza*). The powers assigned to the judge (*giudice delegato*) and the court under the other insolvency proceedings are assumed by the relevant administrative authority under this procedure. The effect on creditors of the compulsory administrative winding-up is largely the same as under judicial liquidation proceedings and includes, for example, a stay on enforcement actions. The rules applicable in judicial liquidation proceedings with respect to existing contracts and creditors' claims largely apply to the compulsory administrative winding-up as well.

TAXATION

The statements herein regarding taxation are based on the laws and/or interpretations in force as of the date of this Prospectus. The Issuer will not update this overview to reflect changes and/or interpretations.

The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers of Securities are advised to consult their own tax advisors concerning the overall tax consequences of purchase, ownership, redemption and disposal of the Securities.

This overview is based upon the laws and/or practice in force as of the date of this Prospectus. Tax laws and interpretations may be subject to frequent changes which could be made on a retroactive basis. 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 Securities, as summarized below.

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 Securities 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.

Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, 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 Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any state, regional or local tax laws.

Tax Treatment of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*)

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 debt securities 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).

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 nominal value and which do not grant the holder any direct or indirect right of participation to (or control of) management of the Issuer or of the business in connection to which these securities were issued.

See also "*Risk Factors - Qualification of the Securities under Italian tax law*" on page 15 above.

Pursuant to Article 11, paragraph 2 of Decree 239, where the Issuer issues a new tranche of *obbligazioni* 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 *obbligazioni* multiplied by the number of years of duration of the *obbligazioni*.

Italian resident Securitiesholders

Where an Italian resident Securitiesholder who is the beneficial owner of the Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Decree 917 is (a) an individual not engaged in an entrepreneurial activity to which the Securities 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 Securities are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent (unless the relevant Securitiesholder 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**")).

An Italian resident individual Securitiesholder 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 Securities). The substitute tax is applied on behalf of the taxpayer by the managing authorised intermediary. For more information, see also "*Tax treatment of the Securities – Capital Gains*" below.

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 Securities if the Securities 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.

In the event that the Securitiesholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* applies as a provisional tax.

In case the Securities 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.

Where an Italian resident Securitiesholder who is the beneficial owner of the Securities is a company or similar commercial entity, a commercial partnership, or a permanent establishment in Italy of a foreign company to which the Securities are effectively connected, and the Securities are timely deposited with an authorised intermediary, Interest from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securitiesholder'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%) and, in certain circumstances, depending on the "status" of the Securitiesholder, 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).

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 Securities 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 Securities 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. A withholding or a substitute tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

If the Securitiesholder 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) its manager is subject to the supervision of a regulatory authority ("**Fund**"), and the relevant Securities 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 Securities 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 withholding or 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 Securitiesholder 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 Securities are timely deposited with an authorised intermediary, Interest relating to the Securities 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 Securities may be excluded from the taxable base of the 20 per cent. substitute tax if the Securities 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 Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of Securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Securities or a transfer of Securities to another deposit or account, held by the same or another Intermediary.

Where the Securities are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying Interest to a Noteholder or, absent that, directly by the Issuer paying Interest to a Securitiesholder.

Non-Italian resident Securitiesholders

Where the Securitiesholder is a non-Italian resident without a permanent establishment in Italy to which the Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Decree 917 are connected, an exemption from the *imposta sostitutiva* applies provided that the Securitiesholder 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 Securitiesholders 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 and procedures (please see below) set forth in Decree 239 and in the relating implementing rules 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 Securitiesholders must be the beneficial owners of the payments of Interest or must qualify as "institutional investors" and (a) promptly deposit, directly or indirectly, the Securities 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 Securities, a statement of the relevant Securitiesholder, which remains valid until withdrawn or revoked, in which the Securitiesholder 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 Securitiesholder 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 Securitiesholder. Additional statements may be required for non-Italian resident Securitiesholders 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 Securitiesholders who are (i) not eligible for the exemption from "*imposta sostitutiva*" or (ii) do not timely and properly satisfy the relevant requirements and procedures provided for the exemption to apply.

Debt securities qualifying as atypical securities (*titoli atipici*)

Interest payments relating to debt securities that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) are subject to a withholding tax, levied at the rate of 26 per cent.

Where the Securitiesholder is (i) a non-Italian resident person, (ii) an Italian resident individual not holding the Securities for the purpose of carrying out a business activity, (iii) an Italian resident non-commercial partnership, (iv) an Italian resident non-commercial private or public institution, (v) a Fund, (vi) a real estate investment fund, (vii) a pension fund, (viii) an Italian resident investor exempt from Italian corporate income taxation, such withholding tax is a final withholding tax.

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 withholding tax, on Interest relating to the Securities if the Securities 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 the Securitiesholder is (i) an Italian resident individual carrying out a business activity to which the Securities are effectively connected, (ii) commercial partnership, (iii) an Italian resident corporation or a similar Italian commercial entity (including a permanent establishment in Italy of a foreign entity to which the Securities are effectively connected), (iv) an Italian resident commercial private or public institution, such withholding tax is an advance withholding tax.

In case of non-Italian resident Securitiesholders, without a permanent establishment in Italy to which the Securities are effectively connected, the above-mentioned withholding tax rate may be reduced (generally

to 10 per cent.) or eliminated under certain applicable tax treaties entered into by Italy, if more favourable, subject to timely filing of the required documentation.

Capital Gains Tax

Italian resident Securitiesholders

Any gain obtained from the sale or redemption of the Securities would be treated as part of the IRES taxable income (and, in certain circumstances, depending on the "status" of the Securitiesholder, 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 Securities are connected), a commercial partnership, or Italian resident individuals engaged in an entrepreneurial activity to which the Securities are connected.

Where an Italian resident Securitiesholder is (i) an individual holding the Securities 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 Securitiesholder from the sale or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Under some conditions and limitations, Securitiesholders 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 Securities 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 Securitiesholder holding the Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities 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 Securitiesholders holding the Securities 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 Securities (*risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Securities 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 Securitiesholder.

The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (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 Securitiesholder or using funds provided by the Securitiesholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities 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 Securitiesholder 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 Securities if the Securities 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 Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, 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 Securitiesholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Securitiesholder 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. Subsequent distributions in favour of unitholders or shareholders may be subject to a withholding or a substitute tax of 26 per cent.

Any capital gains realised by a Securitiesholder 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 a withholding or a substitute tax of 26 per cent.

Any capital gains realised by a Securitiesholder 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 Securities may be excluded from the taxable base of the 20 per cent. substitute tax if the Securities 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 Securitiesholders

Capital gains realised by non-Italian resident Securitiesholders, not having a permanent establishment in Italy to which the Securities are connected, from the sale or redemption of Securities 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 Securitiesholders, not having a permanent establishment in Italy to which the Securities are effectively connected, from the sale or redemption of Securities not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the Securitiesholder who is the beneficial owner of the Securities: (a) is resident in a country listed in the White List Decree; 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 Securitiesholders who hold the Securities 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 Securitiesholders who are institutional investors.

If none of the conditions above are met, capital gains realised by non-Italian resident Securitiesholders from the sale or redemption of Securities 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 Securities are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Securities 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 Securities (subject to – in certain cases – the filing of the proper documentation).

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 Securities) 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, Securities 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 Securitiesholder in respect of any Securities 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 Securities held. The stamp duty can be no lower than €34.20 and it cannot exceed €14,000 if the Securitiesholder 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 Securities 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 Securities 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 Securities 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 Securitiesholders other than individuals.

This tax is calculated on the market value of the Securities 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

In a subscription agreement dated 21 January 2025 between the Issuer and the Joint Lead Managers (the "**Subscription Agreement**"), the Joint Lead Managers have, upon the terms and subject to the conditions contained therein, agreed to subscribe for the Securities at their issue price of 99.448 per cent. of their principal amount less the commission specified therein. The Issuer has also agreed to reimburse the Joint Lead Managers for certain of their expenses incurred in connection with the management of the issue of the Securities. The Joint Lead Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Securities.

SELLING RESTRICTIONS

United States

The Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Securities 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, or for the account of, a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Accordingly, the Securities are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

Each Joint Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of sales to EEA retail investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities 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.

United Kingdom

Each Joint Lead Manager 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 Securities 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;

(b) *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 Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) *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 Securities in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Securities has not been registered with CONSOB pursuant to Italian securities legislation. Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities, nor may copies of this Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

(a) 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

(b) 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 Securities or distribution of copies of this Prospectus or any other document relating to the Securities 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 Securities 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**") and each Joint Lead Manager has represented and agreed that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Belgium

Each Joint Lead Manager has represented and agreed that an offering of Securities may not be advertised to any individual in Belgium qualifying as a consumer (*consument/consommateur*) within the meaning of Article I.1 of the Belgian Code of Economic Law (*wetboek van economisch recht/code de droit économique*), as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Securities, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Securities, directly or indirectly, to any Belgian Consumer.

Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

General

Each Joint Lead Manager has represented, warranted and agreed that it will, to the best of its knowledge and belief, comply with all the relevant laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes this Prospectus or any other offering material. No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would, or is intended to, permit a public offering of the Securities, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required.

Neither the Issuer nor the Joint Lead Managers represent that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. Persons into whose hands this Prospectus comes are required by the Issuer and each Joint Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Securities or possess, distribute or publish this Prospectus or any other offering material relating to the Securities, in all cases at their own expense.

GENERAL INFORMATION

Authorisation

The creation and issue of the Securities has been authorised by a resolution passed by the Issuer's Board of Directors on 18 December 2024, notarised by Notary Public Angelo Busani (*repertorio* no. 64.982, *raccolta* no. 31.287), registered in the Companies' Register of Emilia on 9 January 2025.

Legal Entity Identifier (LEI)

The Issuer's Legal Entity Identifier (LEI) is 8156001EBD33FD474E60.

Listing and admission to trading

Application has been made for the Securities to be admitted to the Official List of Euronext Dublin and admitted to trading on its regulated market. Admission is expected to take effect on or about the Issue Date. The total expenses related to the admission of the Securities to trading on Euronext Dublin's regulated market are expected to amount to approximately €7,240.

Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Securities and is not itself seeking admission of the Securities to the Official List of Euronext Dublin or to trading on its regulated market for the purposes of the Prospectus Regulation.

Clearing systems

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Securities have the following International Securities Identification Number and Common Code assigned to them.

ISIN: XS2977890313

Common code: 297789031.

The CFI Code for the Securities is DBFXFB and the FISN for the Securities is IREN S.P.A./4.5 BD 21001231 REGS.

The address of Euroclear is 1 Boulevard du Roi Albert II, B 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L 1855 Luxembourg, Grand Duchy of Luxembourg.

No significant / material adverse change

Save as disclosed in "*Description of the Issuer*", there has been no significant change in the financial position or performance of the Group since 30 September 2024 and no material adverse change in the prospects of the Issuer since 31 December 2023.

Legal and arbitration proceedings

Save as disclosed in "*Description of the Issuer*", 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 Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

Independent 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*).

KPMG has audited the Group's consolidated financial statements as at and for the years ended 31 December 2023 and 2022, and has performed a limited review on its unaudited condensed consolidated financial statements as at and for the six months ended 30 June 2024, in each case as stated in their reports incorporated by reference in this Prospectus.

Documents on display

For so long as the Securities remain outstanding, the following documents may be viewed on the Issuer's website at the following address:

https://www.gruppoiren.it/en/investors/financial-profile/hybrid-bonds.html

(a) this Prospectus;

(b) the Issuer's Annual Report at 31 December 2023, its Annual Report at 31 December 2022, its Interim Financial Report at 30 June 2024, its Consolidated Quarterly Report at 30 September 2024 and the other documents containing information incorporated by reference in this Prospectus, namely the Base Prospectus and the First Supplement; and

(c) the By-laws (*statuto*) of the Issuer in English.

A copy of this Prospectus will also be electronically available for viewing on the website of Euronext Dublin (*https://live.euronext.com*).

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.

Legend concerning US persons

The Securities and any Coupons 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".

Indication of yield

Based on the issue price of 99.448 per cent. of the principal amount of the Securities, the gross yield on the Securities from (and including) the Issue Date to (but excluding) the First Reset Date is 4.625 per cent. on an annual basis. The yield is calculated as the yield to the First Reset Date as at the Issue Date on the basis of the Issue Price and is not an indication of future yield.

Potential conflicts of interest

Certain of the Joint Lead Managers 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 Joint Lead Managers 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 Joint Lead Managers 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 Joint Lead Managers 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 Securities. Any such short positions could affect future trading prices of the Securities.

The Joint Lead Managers 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 addition, certain Joint Lead Managers 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 Securities (see the section above entitled "*Use of Proceeds*"). Certain Joint Lead Managers 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 Joint Lead Managers will also receive commissions from the Issuer in connection with the subscription and sale of the Securities, as referred to in the previous section of this Prospectus entitled "*Subscription and Sale*".

The Fiscal Agent, the Agent Bank and any other Agents appointed in connection with the Securities are agents of the Issuer and not of the Securityholders. Potential conflicts of interest may exist between them and Securityholders. Examples of possible conflicts include those with respect to certain determinations and judgments that the Agent Bank may make pursuant to the Conditions that may influence amounts receivable by the Securityholders.

For the purpose of the above paragraphs in this sub-section, the term "affiliates" has the meaning given to it in "*Certain Definitions*" above.

REGISTERED OFFICE OF THE ISSUER

Iren S.p.A.
Via Nubi di Magellano 30
42123 Reggio Emilia
Italy

FISCAL AGENT AND AGENT BANK

The Bank of New York Mellon
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

JOINT LEAD MANAGERS

Barclays Bank Ireland PLC
One Molesworth Street
Dublin 2, D02 RF29
Ireland

BofA Securities Europe SA
51 rue La Boétie
75008 Paris
France

Citigroup Global Markets Europe AG
Börsenplatz 9
60313 Frankfurt am Main
Germany

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

Société Générale
29 Boulevard Haussmann
75009 Paris
France

UniCredit Bank GmbH
Arabellastrasse 12
81925 Munich
Germany

LEGAL ADVISERS

To the Issuer as to Italian law
Legance - Avvocati Associati
Via Broletto, 20
20121 Milan
Italy

To the Joint Lead Managers as to English and Italian law
Gianni & Origoni
6-8 Tokenhouse Yard
London EC2R 7AS
United Kingdom

Piazza Belgioioso 2
20121 Milan
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