Base Prospectus

IREN S.p.A.

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

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

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

This document constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has been approved as such by the Central Bank of Ireland (the "**Central Bank**") as competent authority in the Republic of Ireland for the purposes of the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

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

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

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*" on page 15.

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

Arranger

Mediobanca

Dealers

Goldman Sachs International
Mediobanca

IMI – Intesa Sanpaolo
UniCredit

25 March 2022

IMPORTANT NOTICES

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

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

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

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

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

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

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

purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise), prospects and credit-worthiness of the Issuer.

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

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

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

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

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

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS: If the Final Terms in respect of any Notes include a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a

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

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

MIFID II PRODUCT GOVERNANCE / TARGET MARKET: The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance / Target Market" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET: The Final Terms in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance / Target Market*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Tranche of Notes is a manufacturer in respect of that Tranche, but otherwise neither the

Arranger (as defined below) nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

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

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

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

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

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating does not fall within one of the categories set out above. Any credit rating agency

registered under the CRA Regulation will be entered on the list of registered credit rating agencies maintained by ESMA, which may be consulted on the following page on its website:

http://www.esma.europa.eu/page/List-registered-and-certified-CRAs#

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

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

CERTAIN DEFINITIONS

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

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

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

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

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

(v) the "**CRA Regulation**" means Regulation (EC) No. 1060/2009 on credit rating agencies, as amended;

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

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

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

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

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

(xi) "**IFRS**" means International Financial Reporting Standards, as adopted by the European Union and as implemented under the Bank of Italy's instructions contained in Circular No. 262 of 22 December 2005 and related transitional regulations in Italy;

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

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

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

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

STABILISATION

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

THIRD PARTY INFORMATION

This Base Prospectus contains information sourced from the *Autorità di Regolazione per Energia Reti e Ambiente* (Regulatory Authority for Energy, Networks and the Environment or "**ARERA**", Terna S.p.A. (operator of Italy's national grid), the Italian Ministry of Ecological Transition (*Ministero della Transizione Ecologica* or MITE) and the Italian Ministry for Economic Development (*Ministero dello Sviluppo Economico* or MISE). Such information has been reproduced accurately in this Base Prospectus and, as far as the Issuer is aware and is able to ascertain from information published by those organisations, no facts have been omitted which would render such reproduced information inaccurate or misleading.

ALTERNATIVE PERFORMANCE MEASURES

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

Free cash flow: determined a sum of operating cash flow and total cash flows from (or used in) investing activities.

Gross Operating Profit (EBITDA): determined as profit (loss) before taxation, share of profit/(loss) of associates accounted for using the equity method, value adjustments on equity investments, financial income and expenses and depreciation, amortization, provisions and impairment losses. Gross Operating Profit (EBITDA) is explicitly indicated as a subtotal in the financial statements.

Gross Operating Profit over revenue: determined as a percentage between gross operating profit and value of revenue.

Investments: representing the sum of investments in property, plant and equipment, intangible assets and financial assets (equity investments) and presented gross of capital grants.

Net Financial Debt: representing the sum of non-current financial liabilities net of non-current financial assets and current financial liabilities net of current financial assets and of cash and cash equivalents.

Net Financial Debt over equity: determined as a ratio between net financial debt and equity including non-controlling interests.

Net Invested Capital: representing the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks and employee benefits and assets (liabilities) held for sale. For further details on the construction of the single items that make up this indicator, see the statement of reconciliation of the reclassified balance sheet with the accounting statement presented in the annexes to the consolidated financial statements.

Operating profit (EBIT): determined as profit (loss) before taxation, share of profit/(loss) of associates accounted for using the equity method, value adjustments on equity investments and financial income and expenses. Operating Profit (EBIT) is explicitly indicated as a subtotal in the financial statements.

Investors should be aware that:

- these financial measures are not recognised as a measure of performance under IFRS;
- they should not be recognised as an alternative to operating income, net income, operating and investing cash flow, net financial position or any other performance measures recognised as being in accordance with IFRS, Italian GAAP or any other generally accepted accounting principles;
- they are used by management to monitor the underlying performance of the business and operations but are not indicative of the historical operating results of the Issuer, nor are they meant to be predictive of future results; and
- the descriptions of the above financial measures will not necessarily be aligned to the meaning given to them when used in any contracts to which the Group is a party, including in "*Terms and Conditions of the Notes*" below.

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

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GENERAL DESCRIPTION OF THE PROGRAMME

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

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

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

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

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

	As more fully set out in Condition 14 (*Taxation*), the Issuer shall not be liable in certain circumstances to pay any additional amounts to holders of the Notes, including (but not limited to) where any payment, withholding or deduction is required pursuant to Decree No. 239 on account of Italian substitute tax, as defined therein in relation to interest or premium payable on, or other income deriving from, the Notes.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by English law. Condition 19 (*Meetings of Noteholders; Noteholders' Representative; Modification*) and the provisions of the Agency Agreement concerning the meetings of Noteholders are subject to compliance with mandatory provisions of Italian law.
Enforcement of Notes in Global Form:	In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated 25 March 2022, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Ratings	The Programme has been rated "BBB" by Fitch and "BBB-" by S&P. In addition, the Issuer's long-term default and its senior unsecured debt have been rated "BBB" by Fitch and "BBB-" by S&P. Notes issued pursuant to the Programme may be rated or unrated. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Italy, France and Japan, see "*Subscription and Sale*" below.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the sectors in which it operates, together with all other information contained in this Base Prospectus, including in particular, the risk factors described below, and any document incorporated by reference in this Base Prospectus. Words and expressions defined in "Forms of the Notes" and "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this section.

Prospective investors should note that the risks set out below relating to the Issuer, the sectors in which it operates and the Notes are those which the Issuer believes, based on information currently available to it, to be the most relevant to an assessment by a prospective investor of whether to consider an investment in the Notes. However, the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant 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 five categories and those specific to the Notes are presented in three categories, in each case with the most material risk factors presented first in each category. Additional risks and uncertainties relating to the Issuer and the industries in which it operates that are not currently known to the Issuer or which it currently deems immaterial may also, either individually or cumulatively, have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and the Group.

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

MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER

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

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

The Group carries on its business in a heavily regulated environment, in accordance with, among other things, the resolutions issued by the Italian Regulatory Authority for Energy, Networks and Environment (*Autorità di Regolazione per Energia Reti e Ambiente* ("**ARERA**"), an independent body created under Italian Law No. 481 of 14 November 1995 for the purposes of protecting consumer interests and promoting the competition, efficiency and distribution of services with adequate levels of quality, through regulatory and control activities. Changes in applicable legislation and regulation, whether at European or national and regional level, as well as the regulations of particular state agencies, including ARERA, and the manner in which they are interpreted could affect the Group's earnings and operations, either positively or negatively, both through the effect on current operations and also through the impact on the cost and revenue-earning capabilities of current and future planned developments in sectors in which the Group conducts its business. Such changes could include changes in tax rates, legislation and policies in energy and environmental fields, changes in safety or other workplace laws or changes in the regulation of cross-border transactions. In addition, public policies related to water, waste, energy (mostly electricity, gas, district heating and LNG),

energy efficiency and/or air emissions may have impact on the overall market and particularly the public sector, in which the Group operates.

The Group operates in a political, legal and social environment which is expected to continue to have a material impact on its performance. Regulation of a particular sector may affect many aspects of the Group's business and, in many respects, determines the manner in which it conducts its business and the fees it charges or obtains for its products and services. Any new or substantially altered laws, regulations and/or standards may adversely affect Iren's business, financial condition and results of operations.

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

For the year ended 31 December 2020, regulated activities (such as energy infrastructure, its Integrated Water Services business unit, waste collection management and the Other Services business unit) accounted for 49 per cent. of the Group's EBITDA[1], excluding the contribution from capital gains, while the remainder was represented by semi-regulated activities, i.e. district heating, urban waste disposal and incentives for power generation by renewable energy sources (22 per cent.), and non-regulated activities, such as power generation, special waste and the Market business unit (29 per cent.)[2]. Regulated activities are dependent on concessions from local authorities (in the case of integrated water service, hydroelectric energy production, district heating service, LNG, energy and gas distribution, waste management and public lighting) and from national authorities (in the case of electricity distribution) that vary in duration across the Group's business areas. For further information on the concessions granted to Iren and its subsidiaries, their original expiry dates and the extension regime applicable to them, see *"Description of the Issuer – Concessions*".

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

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

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

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

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

of the applicable law, the amount and date of payment of any such compensation could be easily challengeable and be subject to disputes.

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

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

Regulation of local public services and expiry of concessions

The Group's gas distribution business also depends on concessions being granted by Italian local authorities. The gas market is regulated by Legislative Decree No. 164 of 23 May 2000, as amended, pursuant to which the distribution of natural gas in certain municipalities and areas must be carried out by operators chosen through a public tender process. There is still considerable uncertainty with regard to how the concession system will work and how the authorities granting the concessions and the Italian courts will interpret such legislation. Since 2011, Ministerial Decree No. 226 of 12 November 2011, as amended, has provided that the gas distribution service may only be conducted based on a tender process announced exclusively for ATEMs (*Minimum Territorial Areas*), mainly covering an area the size of a province, with a maximum duration for concessions of up to 12 years.

In relation to hydroelectric power, a public tendering procedure is provided for the granting of concessions for water exploitation is required by Legislative Decree No. 79 of 16 March 1999. In addition, Law. No. 12 of 11 February 2019 ("**Law 12/2019**") has redefined the regulatory framework on concessions for hydroelectric purposes by amending article 37 of Law Decree No. 83 of 22 June 2012. In particular, Law No. 12/2019 provides the transfer to the Regions of ownership of hydroelectric projects when hydroelectric power concessions expire or in cases of withdrawal or revocation. Under Law No. 12/2019, the potential risks mainly relate to:

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

The Group currently operates through hydroelectric power concessions, including seven that have expired, and therefore is subject to the above risks.

As regards the integrated water service (IWS), for all the aspects of IWS management (e.g. assignment of the integrated water services and conditions for their operation and quality standards, as well as tariff calculation and revision), the Group must comply with the applicable regulations (including those set out by the ARERA) as well as with the provisions contained in the relevant concession agreements. Although the entire regulatory framework is designed to give stability to the IWS sector (as well as in other sectors in which the Group operates), changes in applicable laws and regulations, whether at a regional, national or European level, and the manner in which they are interpreted could negatively affect the Group's earnings and current operations. Such changes could

include changes in tax rates, tariff calculation method, legislation and policies, as well as changes in environmental, safety or other workplace laws.

In general, the complexity of regulations governing the expiry and renewal of concessions held by the Group could give rise to uncertainty over its ability to maintain those concessions and to the risk of legal proceedings, which may in turn have an adverse effect on the Group's business, financial condition and results of operations.

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

The strategic development plan of the Group provides for considerable investments in all the Group's business sectors, ranging from the construction or buying of already built renewable plants, from the construction or upgrading of cogeneration plants to complete the district heating (*teleriscaldamento*) extension plan to the upgrading of its hydroelectric plants and the consolidation of its presence in the electrical energy and gas distribution sectors, and water and waste treatment sectors.

The above activities entail Group exposure to regulatory, technical, commercial, economic and financial risks related to the obtaining of the relevant permits and approvals from regulatory, legal, administrative, tax and other authorities and agencies. The processes for obtaining these permits and approvals are often lengthy, complex, unpredictable and costly. If Iren and its subsidiaries are unable to maintain, obtain or comply with the relevant permits and approvals, the Group's ability to achieve its strategic objectives could adversely affect the Issuer's business, financial condition and results of operations.

Risks related to the demand for natural gas and electrical energy

Trends in electrical energy and gas consumption are generally related to gross domestic product. The recent global economic and financial crisis, characterised by a deterioration of macroeconomic conditions, has led to a contraction in consumption and industrial production worldwide. It is true that, following a severe downturn caused by the Covid pandemic, demand for electricity and gas in Italy has recovered as follows: (i) in the case of electrical energy, an increase of 5.6 per cent. (from 301.2 TWh in 2020 to 318.1 TWh in 2021) (*Source*: Terna S.p.A., Report 2021); and (ii) in the case of natural gas, on the basis of currently available data, up 7.2 per cent. (from 71.0 billion cubic metres in 2020 to 76.1 billion cubic metres in 2021) (*Source*: MISE). Nevertheless, any reversal of this latest trend in subsequent years could significantly reduce the Group's revenues and limit future growth prospects, which may have a material adverse effect on the Issuer's business, financial condition and result of operations.

Risks relating to quality standards

The Group is required to comply with certain quality standards for the sale of natural gas, electricity and district heating to end users, as well as certain standards of security, continuity and commercial quality with respect to natural gas distribution. Failure to comply with these standards may result in the Group having to pay indemnities to end users, penalties and/or fines. Although the Group believes that it currently complies with the relevant quality and safety standards, any future breach of these standards could adversely affect the Issuer's business, financial condition and results of operations.

Risks relating to market liberalisation, resulting in greater competition

The sectors in which the Group operates have recently undergone a process of gradual liberalisation in recent years, which has been implemented in different ways and according to different timetables from the production to the distribution process. For example, as far as Italy is concerned, the protection regime in the electricity and gas sectors for household customers and microbusinesses with installed power of less than 15 KW is expected to terminate from 1 January 2023. As a result,

new competitors may enter many of the Group's markets and the Group's ability to develop its businesses and improve financial results may be constrained by new competition. Furthermore, the Group may be unable to offset the financial effects of decreases in the production and sale of electricity through efficiency improvements or expansion into new business areas or markets.

In its electricity business, from the production to the transportation, supply and sale businesses, the Group competes with other producers and traders from both inside and outside of Italy who sell electricity in the Italian market to industrial, commercial and residential clients. This could have an impact on the prices paid or achieved in the Group's electricity production and trading activities.

Similarly, in its natural gas business, Iren faces increasing competition from both national and international natural gas suppliers. Increasingly higher levels of competition in the Italian natural gas market could entail reduced natural gas selling margins. Furthermore, a number of national gas producers from countries with large gas reserves have begun to sell natural gas directly to end users in Italy, which could threaten the market position of companies like Iren, which resell gas purchased from producing countries to end users.

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

Natural disasters, service interruptions, systems failures, water shortages or contamination of water supplies as well as other disruptive events could adversely affect profitability

The Group controls and operates utility networks and maintains their associated assets with the objective of providing a continuous service. In exceptional circumstances, electricity, gas or water shortages, or the failure of part of the network or supporting plant and equipment, could result in the interruption of service or catastrophic damage, including significant damages to people and property.

For example, water shortages may be caused by natural disasters, floods and prolonged droughts, below average rainfall, increases in demand or by environmental factors, such as climate change, which may exacerbate seasonal fluctuations in supply availability. In the event of a shortage, the Group may incur additional costs in order to provide emergency reinforcement to supplies. In addition, water supplies may be subject to interruption or contamination, including contamination from the presence of naturally occurring compounds and pollution from man-made sources or third parties' actions. The Group could also be held liable for human exposure to hazardous substances in its water supplies or other environmental damage, or be fined for breaches of statutory obligations, including the obligation to supply drinking water that is wholesome at the point of supply, or held liable to third parties, or be required to provide an alternative water supply of equivalent quality, all of which could increase costs.

Moreover, significant damage or other impediments to the waterworks facilities, including multipurpose dams and the water supply systems, managed by the Group could result from (i) natural disasters, such as floods or prolonged droughts or climate change such as an increase in mean temperatures, (ii) human error in operating the waterworks facilities or (iii) strikes. The Group maintains insurance against some, but not all, of these events but no assurance can be given that its insurance will be adequate to cover any direct or indirect losses or liabilities it may suffer. An additional risk arises from adverse publicity that these events may generate and the consequent damage to the Issuer's and the Group's reputation.

With specific regard to the natural gas and electricity sectors, peak demand periods may coincide with times when there is a shortage of the relevant commodity. In addition, the Group could experience problems in acquiring natural gas and electricity due to an interruption of the operation of the natural

gas transport network or the national electricity transmission network. Should the Group encounter these issues, it could be forced to limit or suspend its business. Furthermore, a large part of the natural gas transported in the Italian national transportation system is imported from or transits through countries that have already experienced and may continue to experience political, social and economic instability. The import or transit of natural gas is therefore subject to certain risks inherent in such countries including high inflation, volatile exchange rates, weak creditor protection and insolvency laws, social unrest, limitations on investments and on the import and export of assets, increases in taxes and excise duties, enforced contract renegotiations, nationalisation or renationalisation of assets, changes to commercial policies, monetary restrictions and loss or damage owing to political upheaval and/or conflict. More specifically, considering that approximately 40% of natural gas supplied to Italy comes from Russia (*Source*: MITE), some uncertainty about future supplies that country has arisen, as a result, of the ongoing Russian invasion of Ukraine (commenced on 24 February 2022) and the consequent sanctions imposed on Russia by the European Union. All of these risks could adversely affect the business, financial condition and results of operations of the Group.

Risks related to the variability of weather and atmospheric conditions

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

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

The main operational risk to which the Issuer is exposed is linked to the ownership and management of power stations, waste management assets and distribution networks and plants. These power stations and other assets are exposed to risk of malfunctions and/or interruption in service that can cause significant damages to the assets themselves and, in more serious cases, production capacity may be compromised. These risks include extreme weather phenomena, adverse meteorological conditions, natural disasters, fire, terrorist attacks, sabotage, mechanical breakdown of or damage to equipment or processes, accidents and labour disputes. In particular, any such events could cause damage or destruction of the Group’s property, plant and equipment and, in more serious cases, production capacity may be compromised. Furthermore, any damage or destruction of the Group’s facilities could, in turn, result in injuries to third parties or damage to the environment, along with ensuing lawsuits and penalties imposed by the relevant authorities. In addition, the Group's distribution networks are exposed to malfunctioning and service interruption risks which may be beyond its control and may result in increased costs. No assurance can be given that the Issuer's insurance coverage will prove to be sufficient to fully compensate such losses.

Iren believes that its systems of prevention and protection within each operating area (which works according to the frequency and gravity of the particular events, its ongoing maintenance plans, the availability of strategic spare parts and insurance cover) enable the Group to mitigate the economic

consequences of potentially adverse events that might be suffered by any of its plants or networks. However, there can be no assurance that maintenance and spare parts' costs will not rise, that insurance products will continue to be available on reasonable terms or that any one event or series of events affecting any one or more plants or networks will not have an adverse impact on the Issuer's business, financial condition and results of operations.

Risks relating to white certificates

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

In the last few years, the market price of "white certificates" has significantly increased up to a stabilised level of around €260 per certificate as at the date of this Base Prospectus. Several interventions implemented by ARERA have, however, mitigated the financial impact on the DSOs from high certificates prices. The Group, in order to comply with its energy saving obligations, intends to produce "white certificates" directly and to buy them on the market (up to the amount needed to match the annual target). Nevertheless, if the number of "white certificates" directly produced by the Group is lower than expected and/or if the price of "white certificates" continues to increase in the future, the Group will incur higher costs, which could adversely affect the business, financial condition and results of operations of the Group.

The risks relating to "white certificates" could also be heightened by the fact that, during the past few years, as a result of a change in interpretation of the relevant legislative provisions, a number of measures have been taken by the GSE (*Gestore dei Servizi Energetici* or Energy Services Operator), which is the public authority responsible for granting "white certificates", even though the Group has not been subject to any of these measures yet. Such measures have included: (i) blocking the granting of "white certificates" for projects already approved; (ii) annulling projects approved months or years before (on the basis that those projects did not comply with applicable legislation); and (iii) annulling "white certificates" as a result of unfavourable findings following inspections (only for "white certificates" bought on the market and not for those directly produced).

Risks related to information technology, operation technology and cyber risk

The Group's operations are supported by complex information systems, specifically with regard to its technical, commercial and administrative divisions. Information technology risk arises in particular from issues concerning the adequacy of these systems and the integrity and confidentiality and availability of data and information, including their ability to withstand penetration by outsiders intent on extracting or corrupting information or disrupting business processes. The major operating risks connected with the IT system involve the availability of "core" systems. These include, for example, those of Iren Energia interfacing with the Power Exchange *(Borsa Elettrica)* and any accidental unavailability of this system could have considerable financial consequences connected with failure to submit energy sale or purchase offers. A failure to prevent and/or guarantee prompt remediation against any cybersecurity-related attack may have an adverse impact on the Issuer's business, financial condition and results of operations.

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

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

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

The Issuer's business strategy involves acquisitions and investments in its core businesses. The success of this strategy depends partially on its ability to identify successfully and acquire suitable companies and other assets on acceptable terms and, once they are acquired, on their successful integration into the Group's operations, as well as its ability to identify suitable strategic partners and conclude satisfactory terms with them. Any inability to implement the Group's acquisition strategy or a failure in any particular implementation of its strategy could have an adverse impact on its business, financial position and results of operations.

Risks relating to joint ventures and partnerships

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

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

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

With regard to the business in which the Group operates in competition, the Group's success depends on its ability to retain and renew existing customers and contracts, to maintain volumes under existing contracts and to obtain and successfully negotiate new or expanded customer contracts. The Group's current and prospective customers may move to competitors, cease operations, terminate contracts with the Group or increase pricing pressure as a result of a merger or acquisition, changes in strategy or product offerings, financial or operational constraints, or for

strategic reasons cease to require waste management or other services. The Group's material customer contracts generally expire after one year and contain termination provisions that allow customers to terminate their agreement with the Group for a number of reasons including an event of force majeure that prevents the Group from providing services or its customers from acquiring services, a failure to perform to benchmark service levels or a material breach of contract not remedied within a certain period or that is incapable of remedy. Termination of these contracts could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to skills and expertise of the Group's employees

The Group's ability to operate its business effectively depends on the skills and expertise of its employees. If the Group loses any of its key personnel or is unable to recruit, retain and/or replace sufficiently qualified and skilled personnel, it may be unable to implement its business strategy, which could in turn adversely affect the business, results of operations and financial condition of the Group.

Legal and regulatory risks

Risks relating to legal proceedings

The Group is a defendant in a number of legal proceedings (including civil, labour, governmental, administrative, antitrust and tax proceedings), which are incidental to its business activities and which Iren does not consider to be material. In its consolidated financial statements as at 30 June 2021, the Issuer had a provision for risks related to charges and various disputes, including legal proceedings, amounting to €177,458 thousand. However, the Group may, from time to time, be subject further litigation and to investigations by taxation and other authorities. The Group is not able to predict the ultimate outcome of any of the claims currently pending against it or to foresee future claims or investigations that may be brought against it, its outcome and economic impact.

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

Risks relating to potential disputes with employees

Disputes with the Group's employees may arise either in the ordinary course of the Group's business or from one-off events, such as mergers and acquisitions, or as a result of employees moving to an incoming concession holder upon the expiry or termination of a concession held by the Group. Any material dispute could give rise to difficulties in supplying customers and maintaining its networks, which could in turn lead to a loss of revenues due to business interruption and prevent the Group from implementing its business strategy. Any such circumstances could adversely affect the business, results of operations and financial condition of the Group.

Risks from compliance with environmental laws and regulations

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

the Group's business, financial condition and results of operations. See also "*Environmental, social and governance risks - The Group may incur significant environmental expenses and liabilities"* below.

Financial risks

Credit risk

Credit risk represents Iren's exposure to potential losses that may be incurred if a commercial or financial counterparty fails to meet its obligations. The main credit risks for the Group arise from trade receivables from the sale of electrical energy, district heating (*teleriscaldamento*), gas and the provision of water and waste management services. The Group seeks to address this risk with policies and procedures regulating the assessment of customers' and other financial counterparties' credit standing, the monitoring of expected collection flows, the issue of reminders, the granting of extended credit terms if necessary, the taking of prime bank or insurance company guarantees and the implementation of suitable recovery measures. In addition, the Group has adopted a Credit Risk Policy in order to manage credit risk linked to events that may have an adverse impact on the achievement of credit-management targets. Nevertheless, and notwithstanding any indemnification mechanism in the event of non-payment by customers and even though the Group has set aside provisions in its balance sheet, there can be no assurance that the steps taken by the Group to manage and monitor credit risks are effective to limit the Group's exposure to losses, which could adversely affect its business, financial condition and results of operations.

Risks associated with fluctuations in the prices of certain commodities

The Group is exposed to price risk, including related currency risk, on the energy commodities traded, being electrical energy, natural gas, coal, etc., as both purchases and sales are affected by fluctuations in the price of such energy commodities directly or through indexing formula. These fluctuations affect Iren's results both directly and indirectly, through indexing mechanisms contained in pricing formulas. Moreover, because some commodity prices are quoted in U.S. dollars, the Group is also exposed to exchange rate risk. Iren must manage risks associated with the misalignment between the index-linking formulae governing Iren's purchase price for gas and electricity and the index-linking formulae linked to the price at which Iren may sell these commodities. In addition, the past 12 months have witnessed highly significant increases in the cost of electrical energy and natural gas and the current crisis arising from the Russian invasion of Ukraine, together with the imposition of sanctions and export controls against Russia and Russian interests, is likely to lead to further increases.

Iren is committed to limiting its exposure to commodity price risk through a limited use of derivative instruments, both by aligning the indexing of the commodities purchased and sold and by exploiting its various business segments. The Group also carries out production planning for its plants and purchases electrical energy, with the aim of reconciling energy production and market supply with demand from Group customers. In addition, the Group has adopted an energy risk policy in order to manage energy risks associated with energy and/or financial markets, such as market variables or pricing options.

Nonetheless, Iren has not fully eliminated its exposure to substantial variations in fuel, raw material or electricity prices, or any significant interruption in supplies. Any failure to manage the risk of significant fluctuations in the price of commodities properly could have a negative impact on the Issuer's business, financial condition and results of operations.

Risks relating to changes in levels of tariffs

The Group operates, *inter alia*, in the water, waste as well as, gas, electricity and energy distribution sectors and is exposed to a risk of variation in the tariffs applied to end users. Applicable tariffs

payable by end users are determined and adjusted by regulators (such as the ARERA) and may be subject to variations resulting from changes in the tariff method or from the periodic revisions resulting due to investigations by the relevant authority, concerning, *inter alia*, efficiency improvements and the actual implementation of planned investments or the achievement of quality standards. Uncertainties as to how to establish tariffs (including any increase or decrease, as the case may be), partly as a consequence of changes in related laws and regulations, could have an adverse impact on the business, financial condition and results of operations of the Group.

In addition, as described in "*Risks associated with fluctuations in the prices of certain commodities"* above, the cost of electricity and natural gas has increased significantly in the past 12 months and may continue to increase. As regulators give customers the possibility to defer payments, the Group may be further exposed.

Interest rate risk

The Group is exposed to interest rate fluctuations especially with regard to the measurement of financial expenses related to indebtedness. The Group's strategy is aimed at limiting exposure to the risk of interest rate volatility, by maintaining at the same time a low cost of funding. The risks associated with increases in interest rates are monitored by the Issuer with a non-speculative perspective and, if necessary, are reduced or eliminated by swap and collar contracts with financial counterparties of high credit standing, for the sole purpose of hedging. At 30 September 2021, all the contracts entered into meet the requisite of limiting the exposure to the risk of oscillation of interest rates and, except for a few positions with an insignificant impact, they also meet the formal requirements for the application of hedge accounting. Nevertheless, despite the hedging policy adopted by the Group, there can be no assurance that the fluctuations in interest rates will not adversely affect the business, financial condition and results of operations of the Group. The total fair value of the above interest rate hedging contracts, obtained from netting the positive and negative positions, was a negative €58,202 thousand at 30 September 2021.

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

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

Should market conditions deteriorate or fail to improve, or the Group's operating results decrease in the future, the Issuer may have to request amendments or waivers to its covenants and restrictions. However, there can be no assurance that the Issuer will be able to obtain such relief. A breach of any of these covenants or restrictions could result in a default and acceleration that would, subject to certain thresholds, permit its creditors to declare all amounts borrowed to be due and payable, together with accrued and unpaid interest, and the commitments of the relevant lenders to make further extensions of credit could be terminated. The Issuer and the Group's future ability to comply with financial covenants and other conditions, as well as its ability to make scheduled payments of principal and interest or to refinance existing borrowings, depends on future business performance, which is subject to economic, financial, competitive and other factors. All of the above could have an adverse impact on the business, financial condition and results of operations of the Group.

Risks relating to changes in the original terms and conditions of long-term contracts

The initial circumstances or conditions under which the Issuer or the companies belonging to the Group may enter into a long-term contract may change over time and this, in turn, may result in adverse economic consequences. Such changes vary in nature and may or may not be readily foreseeable. The longer the term of the contracts, the more these constraints on the Issuer or the companies belonging to the Group are exacerbated. Failure to react successfully, rapidly and appropriately to new situations by reflecting such changes in the original conditions of long-term contracts could have a negative impact on the business, financial condition and results of operations of the Group.

Funding and liquidity risks

Liquidity risk is the risk that new financial resources are not available (funding liquidity risk) or that the Issuer is unable to convert assets into cash on the market (asset liquidity risk), meaning that it may not be able to meet its payment commitments. Iren's ability to borrow from banks or in the capital markets to meet its financial requirements is dependent on favourable market conditions. Borrowing requirements of the Group's companies are pooled by the Group's central finance department in order to optimise the use of financial resources and manage net positions and the funding of portfolio consistently with management's plans while maintaining a level of risk exposure within prescribed limits. Iren's approach toward funding risk is aimed at securing competitive financing and ensuring a balance between average maturity of funding, flexibility and diversification of sources. In addition, the Group has adopted a Financial Risk Policy in order to manage financial risks linked to interest rates, exchange rates and credit spreads. However, none of the above measures will necessarily be sufficient to protect the Group fully from such risk. If insufficient sources of financing are available in the future for any reason, the Group may be unable to meet its funding requirements, which could materially and adversely affect its business, financial condition and results of operations.

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

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

Risks associated with the rating of the Issuer

As at the date of this Base Prospectus, the long-term ratings assigned to the Issuer are BBB with a stable outlook by Fitch and BBB- with positive outlook by S&P. Credit ratings play a critical role in determining the cost for entities accessing the capital markets in order to borrow funds and the rate of interest they can achieve. Generally, a credit rating assesses the credit worthiness of an entity and informs an investor about the probability of the entity being able to redeem invested capital. It is not a

recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Nevertheless, any downgrades in the rating assigned to the Issuer could limit its access to the capital markets and increase the cost of raising funds and/or refinancing existing debt, which would have an adverse effect on the Issuer's financial condition, results of operations and cash flows. See also "*Credit ratings may not reflect all risks*" below.

Risks relating to macro-economic conditions

Risks related to adverse financial and macroeconomic conditions within the global markets

The Group's operations are concentrated in Italy and its business, financial condition and results of operations are significantly affected by the general economic situation in Italy which, in turn, is closely linked to the state of the wider economy, both at EU level and worldwide. A number of uncertainties remain in the current macroeconomic environment, namely:

- the consequences of the Russian invasion of Ukraine, the impact of European Union sanctions on Russia and the risk of the conflict spreading elsewhere;
- the impact of Covid-19 on global growth and individual countries;
- trends in the economy and the prospects of recovery and consolidation of the economies of developed countries such as the US and China;
- the trend towards protectionism driven by U.S. government policy and the outcome of the trade dispute between the US and China;
- future development of the monetary policy of the European Central Bank in the Euro area, the Federal Reserve System, and in the Dollar area, and the policies implemented by other countries aimed at promoting competitive devaluations of their currencies;
- concerns over the long-term sustainability of the European single currency; and
- the sustainability of the sovereign debt of certain countries and related recurring tensions on the financial markets.

In addition, the global economy, the condition of the financial markets, adverse macroeconomic developments in the Group's primary markets and any future sovereign debt crisis in Europe may all significantly influence the Group's performance. The Group's earning capacity and stability can be affected by the overall economic situation and by the dynamics of the financial markets. Moreover, the economy in Italy, the Group's principal market, has been affected in recent years by a significant slowdown as well as an increased focus in terms of legislative and regulatory policies. More recently, the containment measures taken in Italy to tackle the Covid-19 outbreak significantly reduced economic activity and the reintroduction of any such measures could result in local, regional or national recessions.

All of the above factors, in particular in times of economic and financial crisis, could result in an increase in the Issuer's and/or the Group's borrowing costs, in a reduction of, or reduced growth in the Issuer's and/or the Group's ordinary business, in the decline in the Issuer's and/or the Group's asset values, which could have an adverse impact on the Group's business, financial condition and results of operations.

Changes to the overall economy in the Group's principal markets could have a significant adverse effect on the Group's businesses and profitability

The economy in Italy, the Group's principal market, has in recent years experienced long periods of weak growth and stagnation, as well as periods of recession. It is expected that, for the near future,

demand for energy will remain substantially below the level achieved before the economic crisis. In addition, the decrease in demand for energy has put pressure on sales margins due also to greater competition, particularly in the natural gas sector. If demand were to continue to be sluggish or if there were another reversal in demand without corresponding adjustments in the margins charged by the Group on its sales or without an increase in its market share, then the revenues in most of the Group's business areas would be reduced and its future growth prospects would be limited. Any such scenario would adversely affect Group's business, results of operations and financial condition.

Risks associated with the coronavirus pandemic

The outbreak of the health crisis deriving from the spread of COVID-19, also known as coronavirus, which was classified as a pandemic by the World Health Organization (WHO) on 11 March 2020, has led (and may continue to lead) to disruptions in the global economy and a worsening of the global economy in general, including Italy. In addition to the worsening of the global macroeconomic scenario and the risk of deterioration of the credit profile of a considerable number of countries (including Italy), the pandemic has led to significant slowdowns in many business activities. These circumstances have caused volatility in the capital markets and have led, and may continue to lead, to volatility in or disruption of the credit markets at any time and may adversely affect the value of the Notes. As COVID-19 continues to spread, the potential impacts, including a global, regional, or other economic recession, are increasingly uncertain and difficult to assess. There is also growing concern about new COVID-19 strains.

The consequences of the coronavirus crisis that are relevant to the business of the Group include the following: reduced consumption of energy and lower energy prices; an increase in non-payment by customers; disruption of supply chains; unavailability of staff and the closure of business premises; more stringent health and safety measures, including both the costs incurred in implementing them and the restrictions imposed on the Issuer's activities; and financial market instability.

Expectations regarding the management of the COVID-19 pandemic in Italy confirm a progressive easing of restrictive measures linked to the acceleration of the vaccination campaign against the virus, albeit accompanied by concerns about the spread of variants, which could result in slowdowns in the process of normalisation of the domestic and international economic backdrop. Indeed, the risk of resurgence of cases or variant strains of COVID-19, such as the Omicron variant, remains high and the efficacy of the existing vaccines against new variants remains uncertain. The extent to which such events will continue to affect the business, financial condition and results of operations of Iren will depend on future developments, which are highly uncertain and cannot be predicted with any degree of confidence. Even after the COVID-19 pandemic has subsided, Iren may continue to experience materially adverse impacts on its business as a result of the pandemic's global economic impact, and some of the risks described herein may be amplified.

For an assessment by the Issuer of the actual and potential impact of the crisis on the Group for the last financial year, see "Business Outlook" on page 40 of the Consolidated Interim Report at 30 June 2021, which is incorporated by reference in this Base Prospectus (see "*Information Incorporation by Reference*" below). Overall, however, for the reasons set out above, the Issuer is not currently able to determine with any reliability or accuracy the impact of COVID-19 on its financial condition and results of operations to date or in upcoming years.

Risks associated with the Russian invasion of Ukraine

The ongoing Russian invasion of Ukraine, which was launched on 24 February 2022, together with the imposition of sanctions and export controls against Russia and Russian interests by a number of countries including the European Union, has already had a significant impact on the European and global economy, with greater market volatility and significant increases in the prices of energy and

natural gas. As at the date of this Base Prospectus, it is not possible to predict the broader consequences of the invasion, which could include further sanctions, export controls and embargoes, greater regional instability, geopolitical shifts and other adverse effects on macroeconomic conditions, currency exchange rates, supply chains (including the supply of natural gas and fuel from Russia) and financial markets, all of which could, either directly or indirectly, have an adverse impact on the Issuer's business, financial condition and results of operations.

Environmental, social and governance risks

The Group may incur significant environmental expenses and liabilities

Risks of environmental and health and safety accidents and liabilities are inherent in many of the Group's operations. The Group may incur significant costs to keep its plants and businesses in compliance with the requirements imposed by various environmental laws and regulations, such as Law No. 68/2015 which has introduced into Italian legislation a number of new criminal offences related to environmental liabilities (so called "*ecoreati*"). Such laws and regulations required the Iren Group to adopt preventive or remedial measures and may influence the Group's business decision and strategy. Failure to comply with environmental requirements in the territories where the Group operates may lead to fines, litigation, loss of licences and temporary or permanent curtailment of operations. For this reason, in its planning process, the Group conducts a deep scenario analysis, partly with the aim of adopting assumptions, and consequent actions and investments, to drive the business development in line with available guidelines in environmental, health and safety matters.

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

Risk relating to any breaches of the organisation and management model

The Group's risk management system is designed to assist with the assessment, avoidance and reduction of risks which jeopardise its business. There are, however, inherent limitations on the effectiveness of any risk management system. These limitations include the possibility of human error and the circumvention or overriding of the system. Accordingly, any such system can only provide reasonable, not absolute, assurances of achieving the desired objectives. For example, risks include possible instances of manipulation involving acceptance or giving of illicit benefits, fraud, deception, embezzlement, corruption or other infringements of the law.

Italian Legislative Decree No. 231/2001 ("**Decree 231/2001**") imposes direct liability on a company for certain unlawful actions taken by its executives, directors, agents and/or employees. The list of offences under Decree 231/2001 currently covers, among other things, bribery, theft of public funds, unlawful influence of public officials, corporate crimes (such as false accounting), fraudulent acts and market abuse, as well as health and safety and environmental hazards. In order to reduce the risk of liability arising under Decree 231/2001, the Issuer and each of its subsidiaries have adopted their own organisation, management and supervision models (the "**Models**") to ensure the fairness and transparency of their business operations and corporate activities and provide guidelines to their

management and employees to prevent them from committing offences. The Issuer and each of its subsidiaries have also appointed their own supervisory body (*Organismo di Vigilanza*) to oversee the functioning and updating of, and compliance with, the Models.

Notwithstanding the adoption of these measures, the Group could still be found liable for the unlawful actions of its officers or employees if, in the relevant authority's opinion, Decree 231/2001 has not been complied with. This could lead to a suspension or revocation of concessions currently held by the Group, a ban from participating in future tenders and/or an imposition of fines and other penalties. In particular, as the Group's concessions and its ability to take part in public tenders are a key part of its business, any such finding could adversely affect the business, results of operations and financial condition of the Group.

MATERIAL RISKS THAT ARE SPECIFIC TO THE NOTES

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

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

Risks relating to Notes that may be issued under the Programme

Reliance on Euroclear and Clearstream, Luxembourg

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

A holder of a beneficial interest in a Global Note must therefore rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Similarly, holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

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

The Notes are unsecured

The Notes constitute unsecured obligations of the Issuer and, save as provided in Condition 5 (*Negative Pledge*), do not contain any restriction on the giving of security by the Issuer and its Subsidiaries over present and future indebtedness. Where security has been granted over assets of

the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such indebtedness will, in respect of such assets, rank in priority over the Notes and other unsecured indebtedness of the Issuer. Consequently, in any distribution of the proceeds from the liquidation of the Issuer's assets, secured creditors will be paid in full before any secured creditors (including Noteholders) and, as a result, Noteholders may not be paid in full or at all.

Redemption for tax reasons

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

Change of law or administrative practice

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

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

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

Decisions at Noteholders' meetings bind all Noteholders

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

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

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

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

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

Withholding under U.S. Foreign Account Tax Compliance Act

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

not entitled to receive payments free of withholding under FATCA or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives a payment) with any information, forms or other documentation or consents that may be necessary for the payments to be made free of FATCA withholding.

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

Risks relating to the structure of a particular issue of Notes

Notes subject to optional redemption by the Issuer

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

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

Change of control

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

Fixed Rate Notes

A holder of Fixed Rate Notes is exposed to the risk that the price of those Notes falls as a result of changes in the current interest rate on the capital markets (the "**Market Interest Rate**"). While the nominal interest rate of Fixed Rate Notes is fixed during the life of such Notes or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest

Rate changes, the price of such Notes moves in the opposite direction. If the Market Interest Rate increases, the price of such Notes typically falls, until the yield of such Notes is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate falls, the price of Fixed Rate Notes typically increases, until its yield is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes.

Floating Rate Notes

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

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

Inverse Floating Rate Notes

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

Fixed to Floating Rate Notes or Floating to Fixed Rate Notes

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

Notes linked to or referencing benchmarks

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

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

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

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

- discourage market participants from continuing to administer or contribute to the "benchmark";
- trigger changes in the rules or methodologies used in the "benchmark" or
- lead to the discontinuance, unavailability or disappearance of the "benchmark".

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

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

Notes linked to reference rates that are unavailable or discontinued

General

There are significant doubts about the continuing use of forward-looking interbank offered rates, such as LIBOR and EURIBOR, in financial markets transaction. In particular, the continuation of LIBOR on its current basis has ceased to be guaranteed since the announcement by the Financial Conduct Authority that it did not intend to continue to persuade or compel panel banks to submit rates for the calculation of LIBOR by its administrator after 2021. In relation to EURIBOR, following concerns expressed by its administrator, EMMI, as to whether it could guarantee compliance with the Benchmarks Regulation, a methodological reform was carried out in 2019 and, as a result, EMMI has since been authorised as a benchmark administrator and included on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. However, the long-term sustainability of EURIBOR depends on factors such as the continued willingness of its panel of contributing banks to support it, and whether or not there is sufficient activity in its underlying market. The absence of these factors may cause EURIBOR to

perform differently compared to the past and may have other consequences which cannot be predicted.

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

Temporary unavailability of Relevant Screen Page

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

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

Benchmark Events

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

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

Potential for a fixed rate return

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

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

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

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

Notes issued at a substantial discount or premium

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

Denominations and restrictions on exchange for Definitive Notes

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

Green Bonds

General

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

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

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

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

No established criteria or consensus

In addition, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of a "green" project or other equivalent label nor is there any market consensus at present as to what precise attributes are required for a particular project to be defined as such, and no assurance can be given that any clear definition or consensus will develop over time. In particular, although Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**") came into force in July 2020, the relevant technical criteria have not yet been enacted. Accordingly, no assurance can be given that any green project towards which proceeds of the Notes are to be applied will meet investor expectations regarding any "green" performance objectives (including those set out under the EU Taxonomy Regulation) or that any adverse event will not occur during the implementation of any such project.

Second-party opinion

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

- it is not part of this Base Prospectus and will not be incorporated in it at any later date;
- Noteholders have no recourse against the provider of any such opinion;
- the Green Bond Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding to the net proceeds from the issue of the relevant Notes;

- it will not constitute a recommendation to buy, sell or hold securities and will only be current as at the date it is released;
- prospective investors must determine for themselves its relevance for the purpose of any investment in Notes issued for any of the purposes stated in the Final Terms; and
- no assurance or representation is given to investors that it will reflect any present or future criteria or guidelines with which investors or their investments are required to comply.

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

Non-compliance

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

Any such event or failure to apply the proceeds of the issue of the Notes for any green projects may have a material adverse effect on the value of the Notes and/or result in adverse consequences for, amongst others, investors with portfolio mandates to invest in securities to be used for a particular purpose. Nevertheless, no such event or failure by the Issuer, including any failure to comply with any reporting obligations set out in the relevant Final Terms, will constitute an event of default under those Notes.

Step Up Notes

General

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

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

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

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

Use of proceeds

Step Up Notes are distinct from Green Bonds and are not being marketed as such, since the Issuer expects to use the net proceeds from the issue of those Notes for general corporate purposes and or

refinancing of existing indebtedness and does not intend to allocate those proceeds specifically to projects or business activities meeting environmental or sustainability criteria, or be subject to any other limitations typically associated with Green Bonds.

No established criteria or consensus

There are currently no clearly-defined criteria (legal, regulatory or otherwise) for sustainability targets, nor any market consensus as to what constitutes an appropriate sustainability or equivalently-labelled target or as to what precise attributes are required for a particular target to be defined as such and the requirements of any such label may evolve from time to time. The Issuer gives no assurance that any performance indicators applicable to Step Up Notes or any independent verification as to the achievement of those targets will meet any or all investor expectations regarding the Step Up Notes, neither does it give any assurance that any of the Group's performance targets qualifying as "sustainable" or “sustainability-linked” will be achieved or that any adverse consequences will not arise from the Group seeking to achieve (or failing to achieve) those targets.

Disclosure and independent verification

Information relating to the sustainability criteria applicable to Step Up Notes and the process of independent verification is set out in the Issuer’s 2022 Sustainable Finance Framework, which is available for viewing on dedicated page of the Issuer’s website (*https://www.gruppoiren.it/green-bond*). Documents containing that information, as well as any Limited Assurance Report or any other past or future reports, certifications and/or opinions, are not part of the Base Prospectus and should not be relied upon in connection with making any investment decision with respect to any Notes to be issued under the Programme.

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

- no such report or verification is a recommendation by the Issuer, the Dealers, any External Verifier or any other provider of any such report or verification, or by any other person, to buy, sell or hold Step Up Notes;
- Noteholders have no recourse against the Issuer, any of the Dealers, the External Verifier or any other provider of any such report or verification for the content of any such report or verification,
- such report or verification is only current as at the date it was initially issued;
- for the purpose of any investment in the Step Up Notes, prospective investors must determine for themselves the relevance or adequacy of any Limited Assurance Report or any other report or verification and/or the suitability or reliability of any External Verifier or any other provider of any such report or verification;
- if a Limited Assurance Report or any other such report or verification is withdrawn or if it concludes that the Group is not complying in whole or in part with any matters on which the verifier is opining, this may have a material adverse effect on the value of the Step Up Notes and/or have adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

As described in “*Green Bonds*” above, a basis for the determination of the definitions of “green” and “sustainability-linked” has been established pursuant to the Taxonomy Regulation. While the Group’s sustainability strategy (which embeds the key performance indicators to which the Step Up Notes are linked) and its related investments aim to be aligned with the relevant objectives for the EU Taxonomy Regulation, until the technical screening criteria for such objectives have been developed, it is not

known to what extent the investments planned in the Group's sustainability strategy will satisfy those criteria. Accordingly, once the technical screening criteria are established, there is no certainty as to the extent to which the investments planned in the Group's sustainability strategy will be aligned with the EU guidelines. Investors should make their own assessment as to the suitability or reliability for any purpose whatsoever of any Limited Assurance Report or any other opinion, report or certification of any third party in connection with the offering of Step Up Notes. Any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus.

Non-compliance

Although the Issuer targets decreasing its Scope 1 GHG Emissions Intensity, Scope 3 GHG Emissions and Water Leaks Intensity and increasing its Total Waste Treated in Material Recovery Plants, there can be no assurance of the extent to which it will be successful in doing so or that any future investments it makes in furtherance of this target will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact. Adverse environmental impacts may occur during the design, construction and operation of any investments that the Issuer makes in furtherance of those targets and such investments may become controversial or criticised by activist groups or other stakeholders. In addition, a Step Up Event will not occur if the Issuer fails to satisfy its targets in relation to Step Up Indicators as a result of a Step Up Exclusion Event. In addition, the Issuer will be entitled to modify the method and basis for calculation of Step Up Indicators in the event of a Recalculation Event. Finally, no Event of Default will occur under the Step Up Notes, nor will the Issuer be required to repurchase or redeem any Step Up Notes, if the Issuer fails to comply with its Step Up Thresholds.

Risks related to the market generally

The secondary market generally

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

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

Delisting of Notes

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin and Notes issued under the

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

Exchange rate risks and exchange controls

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

Credit ratings may not reflect all risks

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

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

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

Transfers of Notes may be restricted

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

in the imposition of penalties or liability. For a description of restrictions which may be applicable to transfers of the Notes, see "*Subscription and Sale*".

INFORMATION INCORPORATED BY REFERENCE

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

1. the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2020 contained in the Issuer's Annual Report at 31 December 2020;
2. the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2019 contained in the Issuer's Annual Report at 31 December 2019;
3. the unaudited condensed consolidated interim financial statements of the Issuer as at and for the six months ended 30 June 2021 contained in the Issuer's Interim Report at 30 June 2021;
4. the unaudited consolidated interim financial information of the Issuer as at and for the nine months ended 30 September 2021 contained in the Issuer's Consolidated Quarterly Report at 30 September 2021; and
5. the terms and conditions relating to Notes issued under the Programme since 10 October 2017, as set out in the Issuer's base prospectus dated 9 December 2020,

in the case of 1 to 4 above, together with the accompanying notes and, where applicable, auditors' reports.

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

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

Access to documents

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

- Annual Report at 31 December 2020:

  https://www.gruppoiren.it/documents/21402/616730/Annual+report+31.12.2020-DEF.pdf/159257dc-00df-4e84-a9c9-55ad2c466341

- Annual Report at 31 December 2019:

  https://www.gruppoiren.it/documents/21402/467047/Relazioni+e+Bilanci+31.12.2019_EN_DEF.pdf/5915cbf2-4370-4957-8c92-33aea84c504e

- Interim Report at 30 June 2021:

  https://www.gruppoiren.it/documents/21402/674225/Relazione+Finanziaria+Semestrale+30.06.2021_EN_DEF.pdf/fdc128ee-dfc0-44dc-8d17-e5b90d34d104

- Consolidated Quarterly Report at 30 September 2021:

  https://www.gruppoiren.it/documents/21402/699824/Relazione+Trimestrale+Consolidata+30.09.2021_EN_DEF.pdf/0dd0248a-8783-41ca-9f69-0fdb0c2670d5

- Base prospectus relating to the Programme dated 9 December 2020:

  https://www.ireninforma.it/documents/21402/409603/Iren+-+Base+Prospectus+09-12-2020.pdf/7bc2b044-3a60-4d3e-80a2-7a43801e7eae

In addition, the Issuer will provide, without charge to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy of any or all the documents containing information incorporated by reference. Requests for such documents should be directed to the Issuer at its offices set out at the end of this Base Prospectus. Such documents will also be available, without charge, at the specified office of the Fiscal Agent.

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

Cross-reference list

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

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FORMS OF THE NOTES

Introduction

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

Eurosystem eligibility

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

TEFRA

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

Temporary Global Note exchangeable for Permanent Global Note

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

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

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

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

within 7 days of the bearer requesting such exchange.

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

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

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

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

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

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

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

Temporary Global Note exchangeable for Definitive Notes

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

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

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

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

Permanent Global Note exchangeable for Definitive Notes

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

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

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

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

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

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

Terms and Conditions applicable to the Notes

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

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

Legend concerning United States persons

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

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

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

TERMS AND CONDITIONS OF THE NOTES

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

1. **Introduction**

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

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

(c) ***Agency Agreement***: The Notes are the subject of an amended and restated issue and paying agency agreement dated 25 March 2022 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon as fiscal agent (in such capacity, the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and as paying agent (in such capacity, the "**Paying Agent**" and together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

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

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

2. **Interpretation**

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

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

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

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

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

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

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

"**Alternative Rate**" means:

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

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

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

"**Benchmark Event**" means:

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

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

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

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

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

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

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

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

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

"**Business Day**" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) a Change of Control occurs;

(ii) a Rating Event occurs; and

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

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

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

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

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

"**Consolidated EBITDA**" means, for any Financial Period, the sum of the Issuer's total revenues less operating expenses, on a consolidated basis and as shown in, or determined by reference to, the Issuer's latest published audited consolidated annual financial statements;

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

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

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

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

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

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

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins, divided by the product of (a) the

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

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year;

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

"**Designated Maturity**" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) any obligation to purchase such Indebtedness;

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

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

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

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

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

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

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

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

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

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

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

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

"**Inverse Rate**" means:

(i) if Screen Rate Determination is specified in the relevant Final Terms as the manner in which it is to be determined, the Reference Rate (or, where applicable, the arithmetic

mean thereof) determined in accordance with Condition 7(c) (*Screen Rate Determination*); or

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

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

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

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

or, in each case, any equivalent successor categories;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

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

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

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

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

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

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

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

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

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

(i) its principal amount;

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

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

(A) the principal amount of such Note; and

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

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

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

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

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

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

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

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

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

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

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

"Payment Business Day" means:

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

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

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

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

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

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

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

"**Permitted Reorganisation**" means:

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

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

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

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

"**Permitted Security Interest**" means:

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

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

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

(iv) any Security Interests not falling within paragraphs (i) to (iii) above, *provided that* the aggregate value of the assets over which all such Security Interests is created shall not

at any time, either individually or in the aggregate, exceed 10 per cent. of the Issuer's Consolidated Total Assets;

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) a rating that is not an Investment Grade Rating and such rating from any Rating Agency is within 180 days of the occurrence of the Relevant Event downgraded by one or more

notches (for illustration, Ba1 to Ba2 being one notch) and is not within such 180-day period subsequently upgraded to its earlier credit rating or better by such Rating Agency; or

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

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

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

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

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

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

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

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

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

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

"**Regular Period**" means:

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

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

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

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

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

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

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

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

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

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

"**Relevant Swap Rate**" means:

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

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

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

"**Remaining Term Interest**" means, with respect to any Note to be redeemed on an Optional Redemption Date (Call) (and if the Final Terms specify that Issuer Call and Make Whole Amount are applicable), the aggregate amount of scheduled payment(s) of interest on such Note for the period from (and including) the Optional Redemption Date (Call) to (but excluding) the Maturity Date, determined on the basis of the Rate of Interest applicable (together with any Step Up Margin that has become applicable from and including any Step Up Date) for that period;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Switch Option**" means, if specified as applicable in the relevant Final Terms, the option of the Issuer, at its sole discretion, on one or more occasions and subject to the provisions of

Condition 9(e) (*Switching at the option of the Issuer*) to change the interest provisions applicable to the Notes from the Fixed Rate Note Provisions to the Floating Rate Note Provisions or *vice versa*;

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

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

"**TARGET2**" means the Trans-European Automated real-time Gross Settlement Express Transfer payment system utilising a single shared platform and launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in Euro;

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

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

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

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

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

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

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

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

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

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

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

3. **Form, Denomination and Title**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for

Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No Person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

4. **Status**

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

5. **Negative Pledge**

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Material Subsidiaries will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure (i) any Relevant Indebtedness or (ii) any Guarantee in relation to any Relevant Indebtedness, without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

6. **Fixed Rate Note Provisions**

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

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

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

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

such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

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

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

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

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

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

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

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

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

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

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

(D) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the

Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

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

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

CMS Rate plus Margin

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

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

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

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

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

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

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

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

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

(ii) the Margin,

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

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

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

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

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

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

8. **Benchmark Replacement**

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

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

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

immediately preceding Interest Period. For the avoidance of doubt, this Condition 8(c) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 8.

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

(i) there is a Successor Rate; or

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

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

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

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

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

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

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

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

(ii) the terms of the Benchmark Amendments,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. **Step Up Option**

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

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

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

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

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

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

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

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

"**GHG Protocol's Corporate Reporting Standards**" means the international guidance and standards on greenhouse gas emissions accounting and life cycle assessment, such as those

established by the World Business Council for Sustainable Development and the World Resources Institute;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Each Limited Assurance Report and Step Up Report will be published concurrently with the publication of the independent auditor's report on the Issuer's annual financial statements and will have the same reference date as the relevant independent auditor's report, *provided that* to the extent the Issuer reasonably determines that additional time is required to complete any Limited Assurance Report and the Step Up Report, then the relevant Limited Assurance Report

and the Step Up Report may be published as soon as reasonably practicable, but in no event later than 30 days, after the date of publication of such independent auditor's report. In addition, no later than the same date, in relation to any Step Up Event Reference Period, the Issuer shall give notice to Noteholders in accordance with Condition 21 (*Notices*) regarding compliance with each relevant Step Up Threshold and confirmation of such compliance by the External Verifier in accordance with its customary procedures.

11. **Zero Coupon Note Provisions**

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

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

(i) the Reference Price; and

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

12. **Redemption and Purchase**

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

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

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

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

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

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

(B) where the Early Redemption Date may only fall on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on

which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by a duly authorised legal representative of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 12(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 12(b).

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

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

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

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

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

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

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

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

(ii) *Investor Put*: If the Final Terms specify that Investor Put is applicable, each Noteholder may, during the Put Option Exercise Period, serve a Put Option Notice upon the Issuer, following which the Issuer will redeem in whole (but not in part) the Notes that are the

subject of such Put Option Notice on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put), together with interest (if any) accrued to such date.

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

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

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

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

(i) the Reference Price; and

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

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

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

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

13. **Payments**

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

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

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

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

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

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

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

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

would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

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

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

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

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

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

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

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

14. **Taxation**

(a) ***Gross up***: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having

power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

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

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

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

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

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

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

15. **Events of Default**

If any of the following events occurs:

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

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

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

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

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

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

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or (ii) above and/or the amount payable under any guarantee and/or indemnity referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €25,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Unsatisfied judgment****:* one or more judgment(s) or order(s) for the payment of any amount in excess of €25,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

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

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

(g) ***Cessation of business****:* the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business (otherwise than for the purposes of, or pursuant to, a Permitted Reorganisation);

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

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

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

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

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

16. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

17. **Replacement of Notes and Coupons**

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

18. **Agents**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20. **Further Issues**

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

21. **Notices**

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

22. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment

given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

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

23. **Rounding**

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

24. **Governing Law and Jurisdiction**

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

(b) ***Jurisdiction***: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) or the consequences of their nullity. The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(c) ***Proceedings outside England***: Condition 24(b) (*Jurisdiction*) is for the benefit of Noteholders only. To the extent allowed by law, any Noteholder may take (i) proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and (ii) concurrent Proceedings in any number of jurisdictions.

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

paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.

FORM OF FINAL TERMS

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

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 on insurance distribution, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.] (*Delete entire paragraph if the prohibition of sales to EEA retail investors is specified to be "Not Applicable" in Part B, paragraph 9(vi).*)

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97 on insurance distribution, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.] (*Delete entire paragraph if the prohibition of sales to UK retail investors is specified to be "Not Applicable" in Part B, paragraph 9(vii).*)

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

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

counterparties and professional clients are appropriate. Any distributor (as defined above) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

Final Terms dated [ ]

IREN S.p.A.

Legal entity identifier (LEI): 8156001EBD33FD474E60

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

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes set forth in the Base Prospectus dated 25 March 2022 [and the supplement[s] to the Base Prospectus dated [*date(s)*]] ([together,] the "**Base Prospectus**"), which constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129, as amended [(the "**Prospectus Regulation**")]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 8 of the Prospectus Regulation][(3)] and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website (*https://live.euronext.com*) of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**").]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under the base prospectus dated 9 December 2020.*]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Notes (the "**Conditions**") set forth in the base prospectus dated 9 December 2020, which are incorporated by reference in the Base Prospectus (as defined below). This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 8 of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**")][(4)] and must be read in conjunction with the Base Prospectus dated 25 March 2022 [and the supplement[s] to the Base Prospectus dated [*date(s)*]] ([together,] the "**Base Prospectus**"), which constitute[s] a base prospectus for the purposes of [Regulation (EU) 2017/1129, as amended / the Prospectus Regulation], save in respect of the Conditions which are extracted from the base prospectus dated 9 December 2020.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Conditions (as set out in the base prospectus dated 9

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(3) Delete this sentence where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a Base Prospectus is required to be published under the Prospectus Regulation.

(4) Delete this sentence where the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a Base Prospectus is required to be published under the Prospectus Regulation.

December 2020) and the Base Prospectus. The Base Prospectus has been published on the website (*https://live.euronext.com*) of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**").]

(*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.*)

(*When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)

1.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
2.	Fungible with an existing Series:		[Applicable / Not Applicable] (*If not applicable, delete sub-paragraphs (i) and (ii) below*)
	(i)	Details of existing Series:	The Notes are to be consolidated and form a single Series with [*identify earlier Tranches*] issued by the Issuer on [*issue dates of earlier Tranches*] (the "**Existing Notes**").
	(ii)	Date on which the Notes will be consolidated and form a single Series:	[Issue Date / Upon exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 23 (*Form of Notes*) below, which is expected to occur not earlier than [*date*] / (the "**Exchange Date**")]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6.	(i)	Specified Denominations:	[ ] [and integral multiples of [ ] in excess thereof up to and including [ ]. No Notes in definitive form will be issued with a denomination above [ ]] (*The minimum denomination of Notes will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount of such currency as at the Issue Date).*)

	(ii)	Calculation Amount:	[ ] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.*)
7.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date (if different from the Issue Date):	[*Specify*/Issue Date/Not Applicable]
8.		Maturity Date:	[The Interest Payment Date falling in or nearest to] [ ] (*For Floating Rate Notes or Inverse Floating Rate Notes, specify the Interest Payment Date falling in or nearest to the relevant month and year. Otherwise, specify a date.*) (*If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the Financial Services and Markets Act 2000 must be available.*)
9.		Interest Basis:	[[ ]% Fixed Rate[, subject to the Step Up Option]] [[*Specify reference rate*] +/- [ ]% Floating Rate[, subject to the Step Up Option]] [Inverse Floating Rate] [Fixed to Floating Rate] [Floating to Fixed Rate] [Zero Coupon] (further particulars specified in paragraph [12/13/14/15/16 [and 17]] [18] below)
10.		Change of Interest Basis:	[Applicable (see paragraph [12 (*Fixed to Floating Rate Note Provisions*) / 13 (*Floating to Fixed Rate Note Provisions*)] / Not Applicable]

11.	Put/Call Options:	[[Issuer Call] [and] [Clean-up Call] (further particulars specified in paragraph[s] [19 (*Issuer Call*)] [and] [20 (*Clean-up Call*)] below)] [[Investor Put / Change of Control Put] (further particulars specified in paragraph 21 (*Put Option*) below)] [Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	**Fixed to Floating Rate Note Provisions**		[Applicable. See also paragraphs 15 (*Fixed Rate Note Provisions*) and 16 (*Floating Rate Note Provisions*) / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Switch Option:	[Applicable/Not Applicable]
	(ii)	Switch Option Exercise Period:	[(*Insert start and end dates or specify maximum and minimum number of days prior to Switch Date. The end date must be at least 15 days prior to the Switch Date*) / Not Applicable]
	(iii)	Switch Date(s):	[Subject to exercise of the Switch Option,] [ ] (*Insert date(s)*) (*Delete reference to Switch Option if "Not Applicable" is specified in sub-paragraph (i) above.*)
13.	**Floating to Fixed Rate Note Provisions**		[Applicable. See also paragraphs 15 (*Fixed Rate Note Provisions*) and 16 (*Floating Rate Note Provisions*) / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Switch Option:	[Applicable/Not Applicable]
	(ii)	Switch Option Exercise Period:	[(*Insert start and end dates or specify maximum and minimum number of days prior to Switch Date*) / Not Applicable]
	(iii)	Switch Date(s):	[Subject to exercise of the Switch Option,] [ ] (*Insert date(s)*) (*Delete reference to Switch Option if "Not Applicable" is specified in sub-paragraph (i) above.*)

14.	**Fixed Rate Note Provisions**	[Applicable / [Applicable in respect of the Fixed Rate Interest Period[s] (*Only use this wording if the Fixed to Floating or Floating to Fixed Rate Note Provisions apply*)] / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate(s) of Interest:	[ ] per cent. per annum[, subject to the Step Up Option (see paragraph 17 (*Step Up Option*) below)] (*Delete words in square brackets if not applicable*)
	(ii) Interest Payment Date(s):	[ ] in each year [adjusted in accordance with the Business Day Convention] (*N.B. This will need to be amended in the case of any long or short coupons*)
	(iii) Business Day Convention:	[Floating Rate Convention/FRN Convention/ Eurodollar Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Not Applicable]
	(iv) Additional Business Centre(s):	[Not Applicable / Applicable (*indicate relevant city/cities*)]
	(v) Fixed Coupon Amount(s):	[ ] per Calculation Amount
	(vi) Day Count Fraction:	[Actual/Actual (ICMA)]/ [Actual/365]/[Actual/ Actual(ISDA)]/ [Actual/365(Fixed)]/ [Actual/360]/ [30/360]/[360/360]/[Bond Basis]/ [30E/360]/[Eurobond Basis]/ [30E/360 (ISDA)]
	(vii) Broken Amount(s):	[[ ] per Calculation Amount, payable on [the Interest Payment Date falling in] [ ] / Not Applicable]
15.	**Floating Rate Note Provisions**	[Applicable / [Applicable in respect of the Floating Rate Interest Period[s] (*Only use this wording if the Fixed to Floating or Floating to Fixed Rate Note Provisions apply*)] / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

		[The Notes are subject to the Step Up Option (see paragraph 17 (*Step Up Option*) below).] (*Delete unless Step Up Option is applicable*)
(i)	Specified Period(s):	[Not Applicable / (*Specify period*)] ("*Specified Period" and "Interest Payment Dates" are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
(ii)	Interest Payment Dates:	[Not Applicable / (*Specify dates*)] (*"Specified Period" and "Interest Payment Dates" are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable". Otherwise, specify the dates.*)
(iii)	Business Day Convention:	[Floating Rate Convention/FRN Convention/ Eurodollar Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Not Applicable]
(iv)	Additional Business Centre(s):	[Not Applicable / (*indicate relevant city/cities*)]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	[[*Name*] shall be the Calculation Agent / Not Applicable] (*Specify "Not Applicable" if the Fiscal Agent is to perform this function*)
(vii)	Screen Rate Determination:	[Applicable / Not Applicable] (*If not applicable, delete the remaining text of this sub-paragraph (vii).*)
	– Reference Rate:	[EURIBOR / CMS Rate]
	– Relevant Screen Page:	(*Specify screen page. For example, Reuters page EURIBOR 01*) (*Where the CMS Rate is the Reference Rate, specify relevant screen page and any applicable headings and captions*)

	– Interest Determination Date(s):	[ ] (*Where the CMS Rate is the Reference Rate and the Reference Currency is euro*): [Second day on which the TARGET2 System is open prior to the start of each Interest Period] (*Where the CMS Rate is the Reference Rate and the Reference Currency is other than euro*): [Second [*specify type of day*] prior to the start of each Interest Period]
	– Relevant Time:	[ ] (*For example, 11.00 a.m. London time/Brussels time*)
	– Relevant Financial Centre:	[ ] (*For example, London / Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro*)
	– [Reference Currency:] (*only relevant where the CMS Rate is the Reference Rate)*	[ ]
	– [Designated Maturity:] (*only relevant where the CMS Rate is the Reference Rate)*	[ ]
(viii)	ISDA Determination:	[Applicable / Not Applicable] (*If not applicable, delete the remaining text of this sub-paragraph (viii).*)
	– Floating Rate Option:	[ ]
	– Designated Maturity:	[ ]
	– Reset Date:	[ ]
(ix)	Linear Interpolation:	[Not Applicable/Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(x)	Margin(s):	[+/-][ ] per cent. per annum
(xi)	Minimum Rate of Interest:	[Not Applicable / [ ] per cent. per annum]
(xii)	Maximum Rate of Interest:	[Not Applicable / [ ] per cent. per annum]

(xiii)	Day Count Fraction:	[Actual/Actual (ICMA)]/ [Actual/365]/[Actual/ Actual(ISDA)]/ [Actual/365(Fixed)]/ [Actual/360]/ [30/360]/[360/360]/[Bond Basis]/ [30E/360]/[Eurobond Basis]/ [30E/360 (ISDA)]
16.	**Inverse Floating Rate Note Provisions**	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*) [The Notes are subject to the Step Up Option (see paragraph 17 (*Step Up Option*) below).] (*Delete unless Step Up Option is applicable*)
(i)	Specified Period(s):	[ ] ("*Specified Period" and "Interest Payment Date" are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
(ii)	Interest Payment Dates:	[ ] (*If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*)
(iii)	Business Day Convention:	[Floating Rate Convention/FRN Convention/ Eurodollar Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Not Applicable]
(iv)	Additional Business Centre(s):	[Not Applicable / *indicate relevant city/cities*]
(v)	Manner in which the Inverse Rate is to be determined:	[Screen Rate Determination/ ISDA Determination]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	[[*Name*] shall be the Calculation Agent / Not Applicable] (*Specify "Not Applicable" if the Fiscal Agent is to perform this function*)

(vii) Screen Rate Determination: [Applicable / Not Applicable] (*If not applicable, delete the remaining text of this sub-paragraph (viii).*)

– Reference Rate: [EURIBOR / CMS Rate]

– Relevant Screen Page: (*Specify screen page. For example, Reuters page EURIBOR 01*)

(*Where the CMS Rate is the Reference Rate, specify relevant screen page and any applicable headings and captions*)

– Interest Determination Date(s): [ ]

(*Where the CMS Rate is the Reference Rate and the Reference Currency is euro*): [Second day on which the TARGET2 System is open prior to the start of each Interest Period]

(*Where the CMS Rate is the Reference Rate and the Reference Currency is other than euro*): [Second [*specify type of day*] prior to the start of each Interest Period]

– Relevant Time: [ ]
(*For example, 11.00 a.m. London time/Brussels time*)

– Relevant Financial Centre: [ ]
(*For example, London / Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro*)

– [Reference Currency:] (*only relevant where the CMS Rate is the Reference Rate)* [ ]

– [Designated Maturity:] (*only relevant where the CMS Rate is the Reference Rate)* [ ]

(viii) ISDA Determination: [Applicable / Not Applicable] (*If not applicable, delete the remaining text of this sub-paragraph (ix).*)

– Floating Rate Option: [ ]

– Designated Maturity: [ ]

– Reset Date: [ ]

(ix)	Linear Interpolation:	[Not Applicable/Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(x)	Fixed Rate Component:	[ ] per cent.
(xi)	Minimum Rate of Interest:	[As per the Conditions / [ ] per cent. per annum]
(xii)	Maximum Rate of Interest:	[Not Applicable / [ ] per cent. per annum]
(xiii)	Day Count Fraction:	[Actual/Actual (ICMA)]/ [Actual/365]/[Actual/ Actual(ISDA)]/ [Actual/365(Fixed)]/ [Actual/360]/ [30/360]/[360/360]/[Bond Basis]/ [30E/360]/[Eurobond Basis]/ [30E/360 (ISDA)]

17. **Step Up Option** [Applicable/Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i)	Step Up Indicator(s):	[Scope 1 GHG Emissions Intensity / Scope 3 GHG Emissions / Water Leaks Intensity / Total Waste Treated in Material Recovery Plants]
(ii)	Step Up Threshold(s):	[ ]
(iii)	Step Up Event Reference Date(s):	[ ]
(iv)	Step Up Margin(s):	[ ] per cent. per annum
(v)	External Verifier:	[ ]

18. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i)	[Amortisation/ Accrual] Yield:	[ ] per cent. per annum
(ii)	Reference Price:	[ ]

(iii) Day Count Fraction: [30E/360]/[Eurobond Basis]
[Actual/Actual (ICMA)]/
[Actual/365]/[Actual/Actual(ISDA)]/
[Actual/365(Fixed)]/
[Actual/360]/
[30/360]/[360/360]/[Bond Basis]/
[30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

19. **Issuer Call** [Applicable/Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) Optional Redemption Date(s) (Call): *(Specify date(s))*

(ii) Notice periods:

(a) Minimum notice: [ ] days

(b) Maximum notice: [ ] days

(*When setting notice periods, consider the practicalities of distributing information through intermediaries, e.g. clearing systems* (*which normally require a minimum of five clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent.*)

(iii) If redeemable in part: [Applicable/Not Applicable]

(*If not applicable, delete sub-paragraphs (a) and (b) below.*)

(a) Minimum Redemption Amount: [*currency*][*amount*] per Calculation Amount

(b) Maximum Redemption Amount: [*currency*][*amount*] per Calculation Amount

(iv) Optional Redemption Amount(s) (Call): [[*currency*][*amount*] per Calculation Amount / Make Whole Amount]

(*If Make Whole Amount is not applicable, delete the remaining sub-paragraphs of this paragraph*).)

(v) Redemption Margin: (*Specify percentage*) per cent.

(vi) Reference Bond: (*Specify applicable reference bond*)

(vii)	Reference Dealers:	(*Insert names of financial institutions*)
20.	**Clean-up Call**	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Clean-up Call Threshold:	(*Specify percentage*) per cent.
(ii)	Notice periods:	
	(a) Minimum notice:	[ ] days
	(b) Maximum notice:	[ ] days (*When setting notice periods, consider the practicalities of distributing information through intermediaries, e.g. clearing systems* (*which normally require a minimum of five clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent.*)
(iii)	Optional Redemption Amount(s) (Call):	[*currency*][*amount*] per Calculation Amount
21.	**Put Option**	[Investor Put / Change of Control Put / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s) (Put):	[(*Specify date*) / As per the Conditions] (*Do not specify a date if the Change of Control Put is applicable*)
(ii)	Optional Redemption Amount(s) (Put):	[*currency*][*amount*] per Calculation Amount
(iii)	Notice periods:	
	(a) Minimum notice:	[[ ] days / As per the Conditions]
	(b) Maximum notice:	[[ ] days / As per the Conditions] (*Do not specify a number of days if Change of Control Put is applicable.*)

(*When setting notice periods, consider the practicalities of distributing information through intermediaries, e.g. clearing systems (which normally require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent*.)

22. **Early Redemption Amount / Early Termination Amount**

Early Redemption Amount(s) of each Note payable on redemption for taxation or Early Termination Amount on event of default (if different from the principal amount of the Notes):	[Not Applicable / [*currency*][*amount*] per Calculation Amount] (*Select "Not Applicable" if the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes. Otherwise, specify the Early Redemption Amount (Tax) and/or the Early Termination Amount.*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].] [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice.] [Permanent Global Note exchangeable for Definitive Notes [on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].]
24.	New Global Note:	[Yes/No]
25.	Additional Financial Centre(s):	[Not Applicable / *indicate relevant city/cities*] (*Note that this item relates to the date and place of payment, and not interest period end dates, to which items 14(iv), 15(iv) and 16(iv) relate.*)
26.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[No / Yes, if the [Temporary/Permanent] Global Notes is exchanged for Definitive Notes on or before [*relevant Interest Payment Date*].] (*Select "Yes" if the Notes have more than 27 coupon payments, in which case the "relevant Interest Payment Date" will be the 27th Interest Payment Date prior to the final Interest Payment Date.*)

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing:	[Official List of Euronext Dublin / (*Specify any other or further listing*) / Not Applicable]
(ii)	Admission to trading:	[Application [has been/is expected to be] made for the Notes to be admitted to trading on [the regulated market of Euronext Dublin / (*Specify any other or further securities markets*)] with effect from [ ].] / [Not Applicable.] [[*Identify earlier Tranches*] are already admitted to trading on [the regulated market of Euronext Dublin / (*Other*)]. (*Insert wording in this second sub-paragraph only if the Notes are fungible with an existing Series and are admitted to trading on a securities market.*)]
(iii)	Estimate of total expenses related to admission to trading:	[*Specify amount*] / [Not Applicable] (*Specify "Not Applicable" only if the Notes are not being admitted to trading on any EEA regulated market.*)

2. **RATINGS**

Ratings: (*Insert the following paragraph where the Notes are to be specifically rated.*)

[The Notes to be issued [have been/are expected to be] rated as follows:

[Fitch: [ ]]
[S&P: [ ]]
[[*Other*]: [ ]]]

(*Insert the following paragraph where the Notes are not to be specifically rated*)

[The following ratings reflect the ratings allocated to the Notes of the type being issued under the Programme generally:

[Fitch: [ ]]
[S&P: [ ]]
[[Other]: [ ]]]

(*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*)

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

(*Select one of the following three options:*)

[[*Name of rating agency/ies*] [is/are] [established in the EEA and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**").]

[*Name of rating agency/ies*] [is/are] neither established in the EEA nor registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") but [is/are] certified under the CRA Regulation.]

[*Name of rating agency/ies*] [is/are] neither established in the EEA nor registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**") [but/and] the rating[s] assigned to the Notes [has/have] been endorsed by [*Name of rating agency/ies*], which [is/are] [not] established in the EEA and registered under the CRA Regulation].

The European Securities and Markets Authority ("**ESMA**") is obliged to maintain on its website a list of credit rating agencies registered in accordance with the CRA Regulation, which can be viewed at the following address:

http://www.esma.europa.eu/page/List-registered-and-certified-CRAs#

This list must be updated by ESMA within 5 working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation.

3. **AUTHORISATIONS**

[Date [Board] approval for issuance of Notes obtained:	[ ] [and [ ], respectively] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)]

4. **REASONS FOR OFFER AND ESTIMATED NET PROCEEDS**

Estimated net proceeds:	[ ]

Use of proceeds:	[The net proceeds of the issue of Notes will be applied by the Issuer [to refinance existing indebtedness (see also "– *Interests of natural and legal persons involved in the issue*" below) [and/or] / for general corporate purposes, which include making a profit [and/or] / [and/or] (*specify any other use of proceeds*).] [The net proceeds of the issue of Notes will [also] be applied by the Issuer to finance or refinance, in whole or in part, Eligible Green Projects, as set out in further detail below. Capitalised terms shown below have the meaning given to them in the section of the Base Prospectus entitled "*Use of Proceeds*".] (*Delete the remaining sub-paragraphs of this paragraph if Eligible Green Projects are not relevant. Otherwise, insert the details below, to the extent known at the date of the Final Terms.*)
Eligible projects:	[ ]
Periodic updates:	[*Insert details of periodic updates, including an updated list of Eligible Green Projects financed and/or refinanced with the net proceeds of the Notes, the amounts allocated and their expected impact, any ongoing process of verification and information on key performance indicators relating to such projects.*]
Documents on display:	[*State where the list of eligible projects and any documents containing periodic updates are or will be available for viewing by Noteholders.*]

5. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Not Applicable / (*give details*)]

(*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

Save for any fees payable to the [Dealers / Manager] named in paragraph 9 below and save as discussed in the section of the Base Prospectus entitled "General Information", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.")

(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)

6. **YIELD**

Indication of yield:	[Not Applicable / (*insert percentage*)] (*State "Not Applicable" if the Notes are not Fixed Rate Notes.*)

7. **BENCHMARKS**

EU Benchmarks Regulation:	[Applicable / Not Applicable] (*State "Not Applicable" if the Notes are Fixed Rate Notes. If not applicable, delete the remaining text of this paragraph 7.)*
[Statement on benchmarks: (*Article 29(2) of EU Benchmarks Regulation*)	Amounts payable under the Notes will be calculated by reference to [*name of benchmark*], which is provided by [*name of benchmark administrator*]. As at the date of these Final Terms, [*name of benchmark administrator*] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**"). [As far as the Issuer is aware, [[*name of benchmark*] does not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that regulation / the transitional provisions in Article 51 of the EU Benchmarks Regulation apply], such that [*name of benchmark administrator*] is not currently required to obtain authorisation or registration.]]

8. **THIRD PARTY INFORMATION**

[Not Applicable / [ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

9. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If non-syndicated, name of Dealer:	[Not applicable/*give name*]
(iii)	If syndicated, names of Managers:	[Not applicable/*give names*]
(iv)	Name of Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]

(v)	U.S. selling restrictions:	Reg. S compliance category [1/2/3]; TEFRA [C/D/not applicable]
(vi)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the EEA, "Applicable" should be specified.*)
(vii)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the UK, "Applicable" should be specified.*)

10. **ISIN AND COMMON CODE**

(*Select the following option if the Notes are fungible with an existing Series but not immediately fungible upon issue.*)

[The notes have the following temporary ISIN and temporary common code assigned to them:

Temporary ISIN:	[ ]
Temporary Common Code:	[ ]

The Notes are to be consolidated and form a single series with the Existing Notes on the Exchange Date, following which the Notes will have the same ISIN and common code assigned to the Existing Notes, namely:]

(*Select the following option if the Notes are fungible with an existing Series immediately upon issue.*)

[The Notes are to be consolidated and form a single series with the Existing Notes immediately upon issue and, accordingly, will have the same ISIN and common code assigned to the Existing Notes, namely:]

(*Delete both of the above options if the Notes are not fungible with an existing Series.*)

ISIN:	[ ]
Common Code:	[ ]

11. **OTHER OPERATIONAL INFORMATION**

CFI:	[[•], as set out on the website of the Association of National Numbering Agencies ("**ANNA**") or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable]
FISN:	[[•], as set out on the website of [ANNA / the Association of National Numbering Agencies] or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable] (*If the CFI and/or FISN are not required, requested or available, it/they should be specified as "Not Applicable"*)
Intended to be held in a manner which would allow Eurosystem eligibility:	[Not Applicable/Yes/No] [Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] (*Include this text if "Yes" selected, in which case the Notes must be issued in NGN form.*) [Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] (*Include this text if "No" selected.*)

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s), address(es) and number(s)*]
Delivery:	Delivery [against / free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable/*give name(s) and address(es)*]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary (in the case of a CGN) or a common safekeeper (in the case of an NGN) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

(a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and (in the case of an NGN) effectuated, to the bearer of the Temporary Global Note; or

(b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent within seven days of the bearer requesting such exchange.

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

If:

(a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or

(c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 25 March 2022 (the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Copies of the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents.

Exchange of Permanent Global Notes

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

If:

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

(b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire

directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that, in respect of a CGN, the same is noted in a schedule thereto and, in respect of an NGN, the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put option: In order to exercise the option contained in Condition 12(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 12(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg, at their discretion, as either a pool factor or a reduction in principal amount).

Payment Business Day: Notwithstanding the definition of "Payment Business Day" in Condition 2(a) (*Definitions*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary or safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, "**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Notices: Notwithstanding Condition 21 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in

accordance with Condition 21 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that so long as the Notes are admitted to trading on a securities market of Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in the Republic of Ireland or published on the website of Euronext Dublin (*https://live.euronext.com*).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer as indicated in the relevant Final Terms, which will be one or more of the following:

(a) to refinance existing indebtedness, which may include indebtedness in which one or more Dealers participate, either directly or through affiliates or through companies being part of their banking group, including parent companies (see also "– *Interests of natural and legal persons involved in the issue of Notes*" in the section of this Base Prospectus entitled "*General Information*" below);

(b) for general corporate purposes;

(c) to finance or refinance, in whole or in part, Eligible Green Projects (as defined below); and

(d) for such other purposes as are specified in the Final Terms.

Green Bonds

In relation to (c) above, in accordance with the relevant definition criteria set out in the Issuer's 2022 Sustainable Finance Framework, only Tranches of Notes financing or refinancing Eligible Green Projects will be denominated "Green Bonds".

In the event of a project divestment or if a project no longer meets the eligibility criteria, an amount equal to the net proceeds of the "Green Bonds" will be used to finance or refinance other projects qualifying as Eligible Green Projects. See also "*Risk Factors - Green Bonds*".

Eligible Green Projects have been defined in accordance with the broad categorisation of eligibility for Green Projects set out in the Issuer's 2022 Sustainable Finance Framework, which are aligned with the Green Bond Principles published by the International Capital Market Association in 2018 and the Green Loan Principles published by the Loan Market Association in 2018.

For the purpose of the 2022 Sustainable Finance Framework, "**Eligible Green Projects**" include, but are not limited to, projects aimed at addressing the following key climate change concerns:

(a) renewable energy:

(b) energy efficiency:

(c) circular economy;

(d) sustainable water and wastewater management; and

(e) clean transportation.

The Issuer's 2022 Sustainable Finance Framework is available on a dedicated page of the Issuer's website (*https://www.gruppoiren.it/green-bond*) and includes further details of Eligible Green Projects and the related eligibility criteria, as well as information on the process for project evaluation and selection, the management of proceeds and post-issuance reporting and verification.

See also "*Description of the Issuer - Financing - Sustainable finance*" below.

Second-party Opinion

Where the Final Terms specify that the proceeds to the Notes will be used to finance or refinance Eligible Green Projects (in whole or in part), the Issuer may appoint consultants and/or institutions with recognised expertise in environmental sustainability to issue a second-party opinion (a "**Green Bond Second-party Opinion**") attesting that the relevant projects have been defined in accordance with the broad categorisation of eligibility for those projects set out by ICMA.

The Final Terms relating to such Notes will specify (to the extent known at the relevant date):

(i) further details of the Eligible Green Projects selected by the Issuer for financing and/or refinancing with the net proceeds of the issue of the Notes; and

(ii) details of periodic updates, including an updated list of the relevant projects financed and/or refinanced with the net proceeds of the Notes, the amounts allocated, their expected impact, any ongoing process of verification (including any Green Bond Second-party Opinions), information on key performance indicators relating to such projects,

The Final Terms will also specify where that information will be made available for viewing by Noteholders, which is expected to be on a dedicated page of the Issuer's website (*https://www.gruppoiren.it/green-bond*).

DESCRIPTION OF THE ISSUER

The Issuer is a listed company limited by shares (*società per azioni*), incorporated under Italian law and operating under Articles 2325 to 2451 of the Italian Civil Code. Its registered office and principal place of business is at Via Nubi di Magellano 30, 42123 Reggio Emilia, Italy and it is registered with the Companies' Registry of Reggio Emilia under number 07129470014, while its VAT Group Number 02863660359. Iren may be contacted by telephone on +39 05227971, by fax on +39 0522286246 and by e-mail at *info@gruppoiren.it* or at the following certified mail box: *irenspa@pec.gruppoiren.it*.

The Issuer is the company resulting from the merger by way of incorporation of Enìa S.p.A. ("**Enìa**") into Iride S.p.A. ("**Iride**") on 1 July 2010, following which Iride changed its name to "Iren S.p.A.". The Issuer was originally established on 20 August 1907 under the name Azienda Elettrica Municipale di Torino which, on 30 April 1996, became Azienda Energetica Metropolitana Torino S.p.A.. For further information in respect of Enìa, Iride, their merger and the history of the Issuer as surviving and incorporating company under the merger, see "*Description of the Issuer – History*" below.

The Issuer, together with its subsidiaries (the "**Group**" or "**Iren Group**"), is one of the most important providers of integrated multi-utility services in Italy(5) and operates mainly in the north-west of Italy through its operating branches in Genoa, Parma, Piacenza, Turin, Vercelli, La Spezia and Reggio Emilia.

The Issuer is the parent company of the Group, which operates mainly in the sectors of electrical energy (production, transport, distribution and sale), heating (production, distribution and sale), gas (distribution and sale), integrated water services, waste management services (collection and disposal of waste) and services for public administration. The Group also provides other public utility services which include telecommunications, public lighting, traffic light services and facility management. The businesses of the Group include both fully regulated services managed under licensed concessionary regimes (water services, urban waste management, distribution of gas and electricity, and public lighting) and businesses managed under ''free competition'' regimes (among which are the sale of gas and electricity, special waste management, district heating (*teleriscaldamento*) and heat management services and co-generation).

The Issuer's management believes that the complementary nature of its businesses creates expansion opportunities and makes it possible for the Group to achieve cost synergies and efficiencies and also to cross-sell utility services to customers in its customer base. In addition, management believes that the business of the Group is diversified in terms of the contribution to EBITDA[6] from regulated activities (such as energy infrastructure, integrated water services, waste collection management and other services), semi-regulated activities (district heating, urban waste disposal and green certificates) and non-regulated activities (such as generation, special waste and market), which accounted for 49 per cent., 22 per cent. and 29 per cent., respectively, of the group's EBITDA[7], excluding the contribution from capital gains, for the year ended 31 December 2020[8].

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(5) *Source:* ARERA, *Relazione Annuale sullo Stato dei Servizi e dell'Attività Svolta*, 17 September 2020.

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

(7) See previous note.

(8) Regulated activities mean activities granted on concession to the Issuer whose revenues are protected by a system of tariffs established by the competent authorities (i.e. ARERA for electric energy, gas and water, and the regions for waste collection management) and are not subject to volume-risk. Semi-regulated activities mean activities whose revenues are predictable over time since those revenues are (i) either pre-determined by a system of tariffs which is regulated by the competent authorities or (ii) are originated from fixed price formulas. Revenues are partly subject to volume-risk.

History

Enìa

Prior to its merger with Iride in 2010, Enìa was one of the leading multi-utility companies providing public utility services (gas, electricity, water, waste and district heating (*teleriscaldamento*)) in the provinces of Reggio Emilia, Parma and Piacenza. Enìa itself resulted from the merger in 2005 between the former water, energy and waste utility companies AGAC S.p.A. (with its registered office in Reggio Emilia and established in 1962), AMPS S.p.A. (with its registered office in Parma and established in 1905) and TESA Piacenza S.p.A. (with its registered office in Piacenza and established in 1972). The ordinary shares of Enìa were admitted to trading on the *Mercato Telematico Azionario* (the "**MTA**") of Borsa Italiana S.p.A. ("**Borsa Italiana**") in 2007. Following the merger with Iride, its ordinary shares were cancelled and its shareholders were allotted new ordinary shares of Iren at an exchange ratio of 4.2 ordinary Iren shares for every ordinary share of Enìa.

Iride

Prior to the above-mentioned merger, Iride was a leading multi-utility company in the north west of Italy providing public utility services primarily in the energy sector (generation of hydroelectricity, cogeneration, district heating *(teleriscaldamento)*, sale and distribution of electricity and gas) and in integrated water and energy services. Iride itself was the result of the merger by way of incorporation of the multi-utility AMGA S.p.A. (with its registered office in Genoa and established in 1936) into the multi-utility Azienda Energetica Metropolitana Torino S.p.A. (with its registered office in Turin and established in 1907), which took place in 2006. The ordinary shares of Iride were admitted to trading on the MTA in 2000 and, as described above, Iride changed its name to "Iren S.p.A." following the merger in July 2010 and new ordinary shares were allotted to the shareholders of Enìa.

Current Group Structure

Since January 2016, the Group has been organised under the following key business units, with four intermediate holding companies, each wholly owned by the Issuer:

- *Waste Management*: through Iren Ambiente S.p.A. ("**Iren Ambiente**") and its subsidiaries, coordinating and managing the activities of sweeping, collection and management of collection centres, management of waste processing and disposal plants and the related heat and electricity production plants;
- *Energy*: though Iren Energia S.p.A. ("**Iren Energia**") and its subsidiaries, coordinating and managing electricity production/energy-heat cogeneration plants, heat distribution (so-called district heating) plants and networks and activities related to "indoor" technological services (electrical systems and heating systems, and technological global services);
- *Market*: through Iren Mercato S.p.A. ("**Iren Mercato**") and its subsidiaries, coordinating and managing commercial services to customers (electricity, heat and gas, etc.), and marketing activities for development of the relevant markets; and
- *Networks*: through Ireti S.p.A. ("**Ireti**") and its subsidiaries, coordinating and managing the integrated water services and the gas and electricity plants and distribution networks.

The above structure was created following a reorganisation of the Group, initially approved by the Issuer's Board of Directors in July 2015. The project involved a centralisation of most of the second-level wholly owned subsidiaries, significantly reducing the number of Group companies, with a view to a reduction in operating expenses and greater clarity in responsibilities for results and in the achievement of objectives, as well as being a determining factor in the Group's integration process.

The Group's development strategies are based on an organisational and business model, divided into an industrial holding company (namely, the Issuer) and four business units (namely Iren Energia, Iren Ambiente, Iren Mercato and Ireti) responsible for supervising the business areas. Iren, as holding company of the Group, is responsible for establishing the strategic guidelines and management policies, allocating resources and coordinating the Group's business areas.

The Group's most significant M&A transactions in recent years have been the following:

- As part of the Group's strategy of territorial consolidation, in July 2020 it acquired additional shareholdings in the following companies, both operating in the provision of public utilities in the province of Asti in the Piedmont region, from Asta S.p.A. (a Gavio group company) for a total consideration of €6.5 million:
    - through Ireti and Amiat S.p.A. ("**Amiat**"), 50% of the share capital of Nord Ovest Servizi S.p.A., increasing the Group's stake to 75%; and
    - through Iren Energia, 28% of the share capital of Asti Energia e Calore S.p.A. ("**AEC**"), increasing its shareholding to 62%.
- On 17 November 2020, Iren completed its acquisition of the Environmental Division of Unieco S.C., a cooperative in compulsory administrative liquidation ("**Unieco**"), for an overall consideration of €121.1 million, subject to adjustment. The activities of the Unieco Environmental Division, distributed in the regions of Piedmont, Emilia Romagna, Marche, Tuscany and Apulia, are carried out through a set of subsidiaries and associated companies overseeing the main operating sectors of the environmental chain (including brokering, transport for disposal of hazardous and non-hazardous special waste, and collection and management of mechanical/biological processing).

See also "*Recent Developments*" below.

The following organisational chart illustrates the main subsidiaries of Iren as at 31 December 2021.

- Maira (66.23%)
  - Formaira (100%)
- Asti Energia e Calore (62%)
- Iren Smart Solutions (60%)
  - Bosch Energy and Building Solutions Italy (100%)
  - Studio Alfa (86%)
- LAB 231 (100%)

- ACAM Ambiente (100%)
- Iren Ambiente Parma (100%)
- Iren Ambiente Piacenza (100%)
- Rigenera Materiali (100%)
- San Germano (100%)
- Uniproject (100%)
- Unieco Holding Ambiente (100%)
  - Picena Depur (100%)
  - Manduriambiente (95.29%)
  - Iren Ambiente Toscana (64.71%)
- Produrre Pulito (100%)
- Scarlino Energia (89.54%)
- Scarlino Immobiliare (100%)
- TB (90.09%)
- Futura (40%)
  -Borgo Ambiente (51%)
- ReCos (99.508%)
- Amiat V (93.059%)
  - Amiat (80%)
- TRM (80%)
- I.Blu (80%)
- Territorio e Risorse (65%)
- Bonifica Autocisterne (51%)

- Salerno Energia Vendite (50%)
  - Sidiren (100%)

- ACAM Acque (100%)
- Iren Laboratori (90.89%)
- Consorzio GPO (62.35%)
- Iren Acqua (60%)
  - Iren Acqua Tigullio (66.55%)
- ASM Vercelli (59.97%)
  - Atena Trading (100%)
- Nord Ovest Servizi (45%)

Business of the Group

The Group's activities are organised through the following business segments:

(i) **Energy** (hydroelectric production and other energy production from renewable sources, combined heat and power, district heating networks, thermoelectric production, public street lighting, global services, heat management and energy efficiency services);

(ii) **Market** (sale of electricity, gas, heat and other customer services);

(iii) **Networks** (electricity distribution networks, gas distribution networks and integrated water service);

(iv) **Waste Management** (waste collection and disposal); and

(v) **Other Services** (laboratories, telecommunications and other minor services).

Management believes that these diverse but complementary businesses provide a natural "hedging" for the Group, since adverse changes in one sector are not necessarily reflected in the other sectors at the same time and may allow for the maximising of revenue-generating capacities.

The following tables show a breakdown by business segment of the main income statement line items of the Group for the years ended 31 December 2020 and 2019.

Results by business segment

	For the year ended 31 December 2020						
(*millions of Euro*)	**Energy**	**Market**	**Networks**	**Waste Management**	**Other Services**	**Non-allocable**	**Total**
Total revenue and income	1,145	2,085	1,041	765	25	(1,336)	3,725
Total operating expenses	(917)	(1,938)	(665)	(591)	22	1,336	(2,798)
Gross operating profit (EBITDA)[(1)]	**228**	**147**	**376**	**173**	**3**	**-**	**927**
Net amort./depr., provisions and impairment losses	(117)	(80)	(190)	(123)	(3)	-	(512)
Operating profit (EBIT)[(1)]	**111**	**67**	**186**	**50**	**1**	**-**	**415**

(1) See also "*Alternative Performance Measures*" on page 7 of this Base Prospectus.

	For the year ended 31 December 2019[(1)]						
(*millions of Euro*)	**Energy**	**Market**	**Networks**	**Waste Management**	**Other services**	**Non-allocable**	**Total**
Total revenue and income	1,473	2,746	1,046	715	22	(1,727)	4,275
Total operating expense	(1,199)	(2,636)	(673)	(557)	(20)	1,727	(3,358)
Gross Operating Profit (EBITDA)[(1)]	**274**	**110**	**373**	**158**	**2**	**-**	**917**
Net am./depr., provisions and impairment losses	(134)	(53)	(175)	(102)	(1)	-	(465)
Operating profit (EBIT)[(2)]	**140**	**57**	**198**	**56**	**1**	**-**	**452**

(1) The financial and economic amounts presented below, for the comparative periods of 2019, were restated in keeping with the segment structure explained above.

(2) See also "*Alternative Performance Measures*" on page 7 of this Base Prospectus.

The following tables show a breakdown of the main income statement line items of the Group for the first six months of 2021 and 2020.

Results by business segment

	For the six months ended 30 June 2021 *(Unaudited)*						
(*millions of Euro*)	**Energy**	**Market**	**Networks**	**Waste Management**	**Other Services**	**Non-allocable**	**Total**
Total revenue and income	715	1,159	442	436	10	(757)	2,005
Total operating expenses	(581)	(1,066)	(252)	(337)	(9)	757	(1,488)
Gross operating profit (EBITDA)[1]	**134**	**93**	**190**	**99**	**1**	**0**	**517**
Net amort./depr., provisions and impairment losses	(70)	(44)	(96)	(55)	(1)	0	(266)
Operating profit (EBIT)[1]	**64**	**49**	**94**	**44**	**0**	**0**	**251**

(1) See also "*Alternative Performance Measures*" on page 7 of this Base Prospectus.

	For the six months ended 30 June 2020 *(Unaudited)*						
(*millions of Euro*)	**Energy**	**Market**	**Networks**	**Waste Management**	**Other services**	**Non-allocable**	**Total**
Total revenue and income	551	1,073	490	350	11	(648)	1,826
Total operating expense	(424)	(987)	(311)	(270)	(10)	648	(1,353)
Gross Operating Profit (EBITDA)[1]	**127**	**86**	**179**	**80**	**1**	**-**	**473**
Net am./depr., provisions and impairment losses	(54)	(41)	(98)	(48)	(1)	-	(241)
Operating profit (EBIT)[1]	**73**	**45**	**81**	**32**	**0**	**-**	**232**

(1) See also "*Alternative Performance Measures*" on page 7 of this Base Prospectus.

The following tables show a breakdown of the main income statement line items of the Group for the first nine months of 2021 and 2020.

Results by business segment

	For the nine months ended 30 September 2021 *(Unaudited)*						
(*millions of Euro*)	**Energy**	**Market**	**Networks**	**Waste Management**	**Other Services**	**Non-allocable**	**Total**
Total revenue and income	1,214	1,747	690	669	18	(1,235)	3.104
Total operating expenses	(1,044)	(1,643)	(401)	(503)	(15)	1,235	(2,371)
Gross operating profit (EBITDA)[(1)]	**170**	**104**	**290**	**166**	**3**	**-**	**733**
Net amort./depr., provisions and impairment losses	(104)	(63)	(144)	(84)	(2)	-	(396)
Operating profit (EBIT)[(1)]	**66**	**41**	**146**	**82**	**1**	**-**	**336**

(1) See also "*Alternative Performance Measures*" on page 7 of this Base Prospectus.

	For the nine months ended 30 September 2020 *(Unaudited)*						
(*millions of Euro*)	**Energy**	**Market**	**Networks**	**Waste Management**	**Other services**	**Non-allocable**	**Total**
Total revenue and income	787	1,472	745	533	17	(925)	2,629
Total operating expense	(633)	(1,367)	(473)	(413)	(15)	925	(1,976)
Gross Operating Profit (EBITDA)[(1)]	**154**	**105**	**272**	**120**	**2**	**-**	**653**
Net am./depr., provisions and impairment losses	(90)	(59)	(140)	(74)	**0**	-	(363)
Operating profit (EBIT)[(1)]	**64**	**46**	**132**	**46**	**2**	**-**	**290**

(1) See also "*Alternative Performance Measures*" on page 7 of this Base Prospectus.

The Issuer does not provide secondary segment information by geographic area in its financial reporting, since, although the Group is expanding its business in the centre and southern regions of Italy, it operates mainly in the north-western regions of the country.

Business Units

Energy

Iren Energia, a company with its registered office in Turin, is the Group's company active mainly in electricity and heat generation and district heating, operating both directly and through its subsidiaries. Since 2017, the business unit has also been active in the energy efficiency market through Iren Smart Solutions S.p.A., formerly known as Iren Rinnovabili S.p.A. ("**Iren Smart Solutions**").

Production of electricity and heat

The Energy Business Unit's installed capacity totals 2,852 electric MW and approximately 2,300 thermal MW. Specifically, it owns and operates 28 electricity production plants: 22 hydroelectric plants (of which three are mini-hydro plants), seven thermoelectric cogeneration plants and one conventional

thermoelectric plant, plus a cogeneration plant managed on the basis of a business lease arrangement. The business unit also has 85 photovoltaic production plants with installed capacity of 20 MW.

All primary energy sources used (hydroelectric and cogeneration) are considered by the Issuer to be eco-friendly. In particular, the hydroelectric production system plays an important role in environmental protection, as it uses a renewable and clean sources, without the emission of pollutants, and reduces the need to make use of other forms of production that have a greater environmental impact.

On the thermoelectric side, more than 34% of the total thermal capacity serving district heating comes from company-owned cogeneration plants and produces 80% of the heat destined for the network, while the remainder is produced by conventional heat generators or other Group's assets, such as waste to energy plants.

In 2020, heat production was in the region of 2,736.3 GWht (2,820.7 GWht in 2019), with district heating (*teleriscaldamento*) volumes of approximately 96.7 million cubic metres.

Iren Energia also oversees the Group's electricity and thermal energy planning and dispatching activities.

In 2020, Iren Energia signed an agreement with Ansaldo for the expansion of the Turbigo thermoelectric power plant through the design, supply and construction of a new gas-fired combined cycle power generation plant, increasing the site's overall installed capacity from 850 MW to around 1,280 MW.

District heating

Iren Energia has the largest district heating network in the country with more than 1,064 kilometres of dual pipes. The network extension amounts to 701 kilometres in the Turin territory, of which 76 kilometres are in the municipalities of Grugliasco, Rivoli and Collegno (Metropolitan City of Turin), ten are in the Municipality of Genoa, 221 in the Municipality of Reggio Emilia, 103 in the Municipality of Parma and 29 in the Municipality of Piacenza.

In April 2020, Iren Energia and Fineurop Investment Opportunities S.p.A. signed an agreement to acquire the district heating business unit of SEI Energia S.r.l. ("**SEI Energia**"), including the heat distribution plants and network in the municipalities surrounding metropolitan Turin, Rivoli and Collegno, as well as 49% of Nove S.p.A. ("**Nove**"), which operates the service in the municipality of Grugliasco, for total connected volumes of 5.2 million cubic metres. Total thermal energy distributed is around 150 GWht/year. The consideration for the transaction was €24.4 million, taking into account future development options, and it was entered into with a view to integrating with the existing grid in the municipality of Turin, taking advantage of heat produced by Group cogeneration and waste to energy plants. See also "*Recent Developments - Award of tender for remaining stake in Nove*" below.

In May 2020, Iren Energia signed an agreement with Engie Italia S.p.A. ("**Engie**") aimed at developing district heating in the north-eastern zone of Turin. The collaboration involves Engie producing thermal energy at its cogeneration power station in Leinì (north of the metropolitan area), transporting it through a feeder (to be made by Engie) up to the boundary of Turin and therefore of the area covered by the Iren Energia heat distribution network. This is expected to enable Iren Energia to expand its district heating network in the north-eastern zone of the City of Turin by the end of 2024, to serve a potential connected volume of 17 million cubic metres. The investments envisaged by Iren to expand the network (pipes, accumulators and substations) amount to €90 million and a significant increase in users served by the district heating service is thereby expected to be achieved without the need to build new production sites in the metropolitan area.

The business unit's total heated volumes amount to 96.7 million cubic metres, of which 5.2 million cubic metres are related to the acquisition of the SEI Energia district hearing unit described above.

Energy efficiency services

Iren Energia, through Iren Smart Solutions, operates in the energy efficiency sector, by planning, implementing and managing projects for the reduction of energy consumption, through savings and efficiency, providing energy and global services to residential buildings, private and public buildings and industrial and commercial complexes. The range of the above-mentioned services includes the maintenance and conduction of heating, conditioning, plumbing, sanitary, refrigeration and electrical systems, as well as solar panels.

Iren Smart Solutions also handles the development and management of public lighting and traffic lights and similar services.

Market

Through Iren Mercato, Atena Trading S.r.l. ("**Atena Trading**"), Salerno Energia Vendite S.r.l. ("**Salerno Energia Vendite**") and Spezia Energy Trading S.r.l., the Group: (i) sells electricity, gas and heat; (ii) supplies fuel; and (iii) provides customer management services to the companies in which the Group has shareholdings.

Iren Mercato operates, in the context of the free market, all over the country, with a higher concentration of customers served in Central and Northern Italy. It handles the sale of the energy provided by the Group's various sources to final customers and wholesalers. The main electricity sources are from the thermoelectric and hydroelectric plants of Iren Energia.

Iren Mercato also acts as "higher protection" (*maggior tutela*) service operator for retail customers in the regulated electricity market in the Province of Turin, the Parma area and in the municipality of Sanremo. Historically, it has also operated in the direct sale of natural gas in the territories of Genoa and Turin, and in the Emilia Romagna area. Lastly, it handles heat sales to district heating customers mainly in the Municipality of Turin, Reggio Emilia, Parma, Piacenza and Genoa.

Within the Market business unit, the Group has implemented two new business lines. The first business line, "New downstream", is destined for the sale to retail customer of innovative products in the area of house automation, energy saving and maintenance of domestic systems. The second business line, "IrenGO at zero emissions", consists of an innovative offer for electric mobility aimed at private customers, businesses and public bodies with the objective of reducing the environmental impact of transportation. The Group has already tested the potential and benefits of e-mobility through a series of internal initiatives, such as the installation of charging infrastructures and the gradual introduction of electric vehicles. All the IrenGO internal and external electric mobility initiatives are 100% supplied by green energy coming from the Group's hydroelectric plants.

On 16 July 2021, Iren Mercato completed the acquisition of 100% of the share capital of Sidiren S.r.l. ("**Sidiren**"), a newly established company to which Sidigas.com S.r.l. transferred its business. Sidiren, which operates in the sale of natural gas, has a portfolio of approximately 52,000 gas customers, of which roughly 95% are domestic, distributed in 78 municipalities, mainly in the Province of Avellino.

Sale of natural gas

Total volumes of natural gas purchased during 2020 were approximately 3,018 million cubic metres, of which 1,081 million cubic metres were sold to customers outside the Group, 1,728 million cubic metres were used within the Iren Group both for electrical and thermal energy production and for the provision of heating services, whilst 209 million cubic metres of gas remained in storage.

The Market business unit manages more than 906 thousand retail gas customers, mainly in the traditional areas of Genoa, Turin and Emilia Romagna, but also in the Vercelli area, in Campania (respectively through Atena Trading and Salerno Energia Vendite) and in the La Spezia area. In particular, Salerno Energia Vendite is present in almost all the Campania provinces as well as in a number of municipalities of the Basilicata, Calabria, Tuscany and Lazio regions. The catchment area expanded further in July 2021 (Iren Mercato expanded its gas customer portfolio to 78 municipalities in the area of Avellino) with the acquisition of Sidiren S.r.l. (as described above), operating in the sale of natural gas.

Sale of electricity

In 2020, the volumes of electricity sold amounted to 7,296 GWh. As of 30 September 2021, more than 1,000,000 retail electricity customers were managed in the areas traditionally served, namely Turin and Parma, and in the other areas commercially served by Iren Mercato and Atena Trading.

Sale of heat energy through district heating network

Iren Mercato manages the sale of heat, produced by Iren Energia, to final customers receiving district heating (*teleriscaldamento*) from the City of Genoa, as well as in the City of Turin, the Municipality of Nichelino, the Municipality of Beinasco (Turin area) and in the provinces of Reggio Emilia, Piacenza and Parma. For the year ended 31 December 2020, the total district heating (*teleriscaldamento*) volumes reached 96.7 million cubic metres, compared to 95 million in 2019.

Networks

Since the Group reorganisation in January 2016, the activities related to the Networks business unit have been performed mainly by Ireti, which handles the integrated water cycle, electricity distribution, natural gas distribution and other minor activities. In addition, ASM Vercelli S.p.A. ("**ASM Vercelli**") has been part of the Group since 2016, operating in the supply of integrated water cycle services and electricity and gas distribution in the territory of the Municipality of Vercelli and in part of the Province of Vercelli.

Integrated water services

Ireti, directly and through the operating subsidiaries Iren Acqua S.p.A. ("**Iren Acqua**", formerly known as Mediterranea delle Acque S.p.A.), Iren Acqua Tigullio S.p.A. (formerly Idrotigullio S.p.A.) and ACAM Acque S.p.A., together with ASM Vercelli, operates in the field of water supply, sewerage and waste water treatment in the provinces of Genoa, Savona, La Spezia, Piacenza, Parma, Reggio Emilia, Vercelli and several municipalities in Piedmont and Lombardy.

Overall in the optimal territorial areas (*Ambiti Territoriali Ottimali* or "**ATOs**") managed at 31 December 2020 (Genoa Area, Reggio Emilia, Parma, Piacenza, Savona and La Spezia), the service is provided in 241 municipalities through a distribution network of 20,258 kilometres serving over 2.8 million residents. The Networks business unit also manages a sewerage network spanning a total of 11,189 kilometres.

In 2020, the Networks business unit supplied approximately 175.1 million cubic metres of water.

Gas distribution

Ireti distributes natural gas in 70 municipalities of the provinces of Reggio Emilia, Parma and Piacenza, in the City of Genoa and in one other municipality nearby. In addition, through ASM Vercelli, Ireti distributes gas in the Municipality of Vercelli, in ten municipalities of the same province and in three other municipalities located in Piedmont and Lombardy. The distribution network consists of approximately 8,115 km of high, medium and low pressure pipes and serves approximately 743,000 customers. In 2019, Ireti distributed approximately 1,266 million cubic metres of gas.

Electricity distribution

Ireti provides the electricity distribution service in the cities of Turin and Parma, while ASM Vercelli distributes electricity in the Municipality of Vercelli with 7,795 kilometres of network in medium and low voltage, and a total of more than 724,000 connected users. Electricity distributed in 2019 amounted to 3,587 GWh.

Waste Management

The Waste Management business unit carries out the activities of waste collection and disposal mainly through geographically-distributed companies: (i) Iren Ambiente, mainly operating in the Emilia area; (ii) Amiat, TRM S.p.A. ("**TRM**"), ASM Vercelli and Territorio e Risorse S.r.l., operating in the Piedmont area; (iii) San Germano S.r.l., operating in Sardinia, Lombardy, Piedmont and Emilia Romagna; and (iv) ACAM Ambiente S.p.A. ("**ACAM Ambiente**"), ReCos S.p.A. and Rigenera Materiali S.r.l., operating in the Liguria area.

The Waste Management business unit carries out all the activities of the urban waste management chain (collection, selection, recovery and disposal), with particular emphasis on sustainable development and environmental protection, as confirmed by growing levels of separated waste collection (recycling). It also manages an important customer portfolio to which it provides special waste disposal services.

Through these activities, the Waste Management business unit serves a total of 307 municipalities for more than three million residents present in its operating areas. The plant assets of the integrated waste cycle consist mainly of: three waste-to-energy plants in Turin (TRM, owned by the company of the same name); the so called "Integrated Environmental Hub" ("*Polo Ambientale Integrato – "PAI*") in Parma and Tecnoborgo in Piacenza, both owned by Iren Ambiente; four active landfill sites; 197 equipped ecological stations; and 36 treatment, selection, storage and recovery plants.

In August 2020 Iren Ambiente, pursuant to an agreement from January 2020, completed the purchase of 80% of the share capital of I.Blu S.r.l. ("**I.Blu**"), with the remaining 20% retained by Idealservice, a cooperative company operating in the environmental services and facility management sector.

On 30 March 2021, Iren Ambiente, as part of the consolidation and rationalisation activities resulting from the purchase of the environmental division of Unieco, completed the purchase from S.I.T. – Società Igiene Territorio S.p.A. of 20% of the share capital of Futura S.p.A. ("**Futura**"), a company operating in the municipality of Grosseto with a mechanical biological treatment plant for unsorted waste and composting for the production of quality compost. Following the transaction, the Group's overall stake in Futura was 60%.

Strategy

Business Plan 2021-2030

On 11 November 2021, the Board of Directors of the Issuer approved the new business plan with a timeframe up to 2030 (the "**Business Plan**"), involving €12.7 billion in investments, aimed at allowing Iren to shape the future of territories and become the key partner for communities.

The 10-year growth strategy is consistent with the main macro-trends in the sector, i.e. decarbonisation and the development of renewables, the circular economy, energy efficiency and the safeguarding of natural resources. Iren's ambition is to be the reference partner in the area, to establish itself as a leader in ecological transition and to be the first choice of stakeholders for the highest levels of service quality offered. This ambition is based on three strategic pillars:

- *Ecological transition*: with a progressive decarbonisation of all activities and the strengthening of leadership in the circular economy and the sustainable use of resources;

- *Territoriality*: with an extension of the perimeter in the legacy territories and the evolution as a reference partner for the communities by expanding the portfolio of services offered; and
- *Quality*: through the improvement of performance and the maximisation of customer/citizen satisfaction levels.

This industrial strategy is strongly integrated with the sustainability strategy, which sets down precise medium- and long-term targets. In particular, the latter is to be developed according to guidelines on ecological transition and the centrality of communities and people and structured according to five focus areas: decarbonisation; circular economy; water resources; resilient cities; and people. The investments envisaged in the plan are aimed at obtaining an ESG Science Based Target certification.

The Business Plan provides for a total amount of investments of €12.7 billion, with a doubling of average annual investments compared to the period 2015-2020, equally distributed over the plan's horizon. More than 70% of cumulative investments are destined for regulated or semi-regulated sectors, in order to upgrade, modernise and digitalise network services, with particular focus on purification plants, to extend district heating and to improve the quality of the urban waste collection service with the aim of increasing the recovery of materials in own plants. A total of 61%, equal to approximately €7.7 billion, is made up of development investments, intended to promote the Group's growth in size, mainly related to the development of renewables, selection and treatment plants, the extension of district heating networks and smart solution projects. Unlike previous business plans, inorganic investments were included, amounting to 14%, or €1.8 billion, and intended for the consolidation of companies in which the Group has shareholdings, participation in gas tenders and completion of the ATOs in which Iren holds concessions. Finally, the remaining 25%, amounting to approximately €3.2 billion, is earmarked for maintenance investments.

From the point of view of sustainability, roughly €8.7 billion, about 80% of the total investments, are directed to projects that contribute to the achievement of commitments made in the five focus areas identified above and, in particular, to support the resilience of cities and decarbonisation projects.

Capital Investments

The following table provides a breakdown of capital investments of the Group by business segment for the years ended 31 December 2020 and 2019.

	Year ended 31 December		Δ
	2020	**2019**	**2020-2019**
		(millions of Euro)	
Generation and District Heating	172	67	105
Hydroelectric	7	7	0
Cogeneration and District Heating networks	164	59	105
Other (capitalisation)	1	1	0
Market	51	41	10
Energy Infrastructure	103	103	0
Electricity networks	52	49	3
Gas networks	51	54	(3)
Regasification	0	0	0
Water Cycle	182	187	(5)
Waste Management	116	76	40
Other investments	61	49	12
Total	**685**	**523**	**162**

Legislative and Regulatory Framework

Some of the Group's operations are within heavily regulated sectors. The legislative and regulatory environment within which the Group operates is summarised in the section of this Base Prospectus entitled "*Regulation*" below. See also "*Risk Factors"*.

Concessions

The Group provides services under concessions or contracts in the following sectors:

- Natural gas;
- Electrical energy;
- District heating;
- Integrated water service;
- Environmental service management; and
- Hydroelectric plants.

The following is a summary of Group's key concessions through which it operates its regulated activities.

Natural gas distribution

Genoa area

The natural gas distribution service in the City of Genoa and the neighbouring municipalities is carried out by Ireti. This concession is currently operating under a provisionally extended basis pending the launch of public invitations to tender.

Emilia Romagna area

The natural gas distribution service in the Emilia provinces is managed by Ireti. These concessions are currently operating under a provisionally extended basis pending the launch of public invitations to tender.

Other geographical areas

The Group also operates through numerous other entities throughout Italy under concessions or contracts granted to mixed capital companies in which the Group companies have a direct or indirect investment. These concessions have expired but are operating under a caretaker basis (known as *prorogatio*), pending the launch of public invitations tender. The main assignments and concessions are:

- *Province of Ancona / Macerata*: licence held by Astea S.p.A. ("**Astea**") (21.32% owned by the GPO Consortium, in which Ireti holds a 62.35% stake) in respect of the municipalities of Osimo (AN), Recanati (MC), Loreto (AN) and Montecassiano (MC), which expired on 31 December 2010 and is currently under a *prorogatio* regime;
- *Municipality of Vercelli*: awarded in 1999 and held by ASM Vercelli, expired on 31 December 2010 and is being extended; and
- *Province of Livorno*: held by ASA S.p.A. ("**ASA**"), 40% owned by Ireti, in relation to the municipalities of Livorno, Castagneto Carducci, Collesalvetti, Rosignano Marittima and San Vincenzo, expired on 31 December 2010 and under *prorogatio* regime.

Natural gas sales

In accordance with the provision of Legislative Decree No. 164 of 2000 (the "**Letta Decree**") on unbundling, i.e. the separation of gas distribution activity from gas sales, the Group carries on the business of selling natural gas mainly through Iren Mercato, which also sells electricity.

This activity is also carried out through direct or indirect investment in vendor companies, including:

- Salerno Energia Vendite, mainly for the Grosseto area and for central-southern Italy;
- Atena Trading, mainly for the Vercelli area; and
- since 16 July 2021, Sidiren, for the Avellino area.

Electrical energy

Ireti manages the public electricity distribution service in the city of Turin on the basis of a ministerial concession expiring on 31 December 2030 and also distributes electricity in the municipality of Parma, with the same expiry date.

Through its local business combinations, the Group distributes electrical energy in the following main areas:

- in the Marche area with Astea, due to expire in on 31 December 2030; and
- in the Vercelli area with ASM Vercelli, due to expire on 31 December 2030.

District heating

Iren Energia manages the district heating distribution service through concessions, awards or authorisations to lay networks in the following areas:

- Municipalities of Turin and Moncalieri (TO);
- Municipality of Nichelino (TO);
- Beinasco (TO);
- Rivoli (TO);
- Collegno (TO);
- Grugliasco (TO);
- Reggio Emilia;
- Parma;
- Piacenza;
- Genoa.

In addition, AEC is entrusted with the sub-concession of the district heating service in the city of Asti and, in May 2020, Iren Energia acquired the district hearing distribution business of SEI Energia, as described in further detail in "*Business Units - Energy - District heating*" above.

Integrated water services

The table below contains details of existing agreements in the Group's area of operations

ATO	Regime	Agreement date	Expiry date
Genoa area	ATO/Operator Agreement	16 April 2004 / 5 October 2009	31 December 2032
Reggio Emilia	ATO/Operator Agreement	30 June 2003	31 December 2011(*)
Parma	ATO/Operator Agreement	27 December 2004	30 June 2025
Piacenza	ATO/Operator Agreement	20 December 2004	31 December 2011(*)
La Spezia	ATO/Operator Agreement	20 October 2006	31 December 2033
Vercelli	ATO/Operator Agreement	13 March 2006	31 December 2023

(*) Service extended until new agreements are defined. These concessions are currently operating until a new operator is identified.

Genoa area

Ireti manages the integrated water service in 67 municipalities of the province of Genoa, serving a total of 880,000 residents. The concession was granted by Decision No. 8 of the Genoa ATO in 2003 and is due to expire in 2032.

The integrated water service in the territory of the municipalities of the Province of Genoa is managed by Ireti through safeguarded operators. The authorised and/or safeguarded companies of the Group that perform the function of operator are Iren Acqua (60% controlled by Ireti), Iren Acqua Tigullio S.p.A. (66.55% controlled by Iren Acqua) and AM.TER S.p.A. (49% owned by Iren Acqua).

The assets and legal relationships relating to the drinking water distribution business in the municipalities of Camogli, Rapallo, Coreglia and Zoagli in the Genoa ATO are operated by Ireti.

Emilia Romagna area

The Group provides integrated water services on the basis of specific concessions granted by the competent local authorities, governed by agreements signed with the competent ATOs.

The integrated water services in the ATOs of Parma, Piacenza and Reggio Emilia are managed by subsidiaries of Ireti. Ownership of the assets and networks of the water segment made before 2006 was transferred (in exchange for their net book value) to companies wholly owned by public entities. These companies made the same networks and assets available to the Iren Group on the basis of a rental contract and against payment of a fee. Assets and networks of the water segment made from 2006 onwards belong to Ireti. At the expiry of the concessions, as for any water concession, the residual value of these investments (calculated according to criteria decided by ARERA) will be assigned to Ireti.

Other geographical areas

The Group also operates in the integrated water service sector in other parts of Italy through licences or concessions given by the competent municipalities to companies in which it has a direct or indirect shareholding.

The main licences and concessions are:

- *Tuscany Coast (Toscana Costa) ATO*: concession for integrated water service in the Municipality of Livorno and other municipalities in the province, held by ASA;

- *Marche Centro – Macerata ATO*: held by Astea, only for the municipalities of Recanati, Loreto, Montecassiano, Osimo, Potenza Picena and Porto Recanati;
- *Municipality of Ventimiglia*: Aiga S.p.A. (49% owned by Ireti);
- *Municipality of Imperia*: AMAT S.p.A. (48% owned by Ireti);
- *Alessandria ATO*: held by Acos S.p.A. (25% owned by Ireti) for the Municipality of Novi Ligure;
- *Cuneo ATO*: Mondo Acqua S.p.A. (38.5% owned by Ireti) manages the Municipality of Mondovì and seven other municipalities in the Cuneo area; and
- *Enna ATO*: Acquaenna (48.50% owned by Ireti).

Waste management services

The Iren Group provides waste management services based on specific service concessions from the local authorities, governed by agreements signed with the provincial ATOs.

The table below provides information regarding the current agreements in the territory in which the Group operates (mainly in Emilia Romagna, Piemonte and Liguria regions).

ATO	Regime	Date of agreement	Expiry date
Reggio Emilia	ATO/Operator Agreement	10 June 2004	31 December 2011(*)
Parma	ATO/Operator Agreement	27 December 2004	31 December 2014 (*)
Piacenza	ATO/Operator Agreement	18 May 2004	31 December 2011(*)
Torino	ATO/Operator Agreement	21 December 2012	30 April 2033(**)
La Spezia	Municipality/Operator Agreement	10 June 2005	31 December 2028 (waste collection) and 31 December 2043 (waste disposal)
Vercelli	Municipality/Operator Agreement	22 January 2003	31 December 2028
Other municipalities in the Vercelli area (except Borgosesia)	Procurement contract with C.O.Ve.Va.R.	1 January 2022	1 January 2030

(*) Service extended until new agreements are finalised. These concessions are currently operating until a new operator is identified.

(**) The term is 20 years from the end of the provisional tariff system of the TRM waste-to-energy plant.

Within different areas, different companies carry on operations. In Emilia Romagna, Iren Ambiente runs both waste collection and disposal (owning and employing waste-to-energy plants at Parma and Piacenza). Regarding the city of Torino, TRM built the waste-to-energy plant and is responsible for waste disposal for the town and for municipalities in the province of Turin, while Amiat is the company responsible for waste collection and transport in Turin. In other piedmontese territories of Vercelli and the towns belonging to the Covevar Consortium, ASM Vercelli manages waste collection, while in the La Spezia province the service is provided by ACAM Ambiente.

Services provided to the City of Turin

Iren Smart Solutions S.p.A. is party to the following agreements:

- the agreement with the City of Turin for the concession relating to street lighting and traffic light services, expiring on 31 December 2036;

- the management services concession for the municipal heating plants, expiring on 31 December 2020 (this deadline has been extended to 30 June 2022 by executive resolution of 26 December 2021); and
- the management services contracts for electrical and special systems in municipal buildings, expiring on 31 December 2020 (this deadline has been extended to 30 June 2022 by executive resolution of 26 December 2021).

Financing

Facilities

The following table shows the Group's principal lending facilities as at 31 December 2020 and 2019 and 30 September 2021.

Loan (amount €50 mln or more)	**Maturity date**	**Amount outstanding as at**		
		30 September 2021	**31 December 2020**	**2019**
		(amounts in Euro)		
European Investment Bank 2008	15/06/23 (*)	-	30,000,000	42,000,000
	40 mln 31/12/22 (*)	-	-	-
	35 mln 30/12/22 (*)	-	-	-
European Investment Bank water services 2008	25 mln 29/12/23 (*)	-	14,142,857	20,023.810
European Investment Bank water services 2014-2016	15/12/30	168,804,348	173,478,261	177,826,087
European Investment Bank heating and waste services 2015	15/12/32	80,000,000	80,000,000	80,000,000
European Investment Bank Electricity distribution networks 2017	15/12/34	75,000,000	75,000,000	-
Pool BNP, BEI, UniCredit, Banca Popolare Vicenza (debt related to TRM S.p.A.)	31/12/29	226,180,644	234,576,260	254,366,780

(*) Refunded in advance.

On 6 May 2020, Iren signed with the Council of Europe Development Bank ("**CEB**") a public finance facility in the amount of €80 million, usable in multiple tranches and with a duration of 16 years, intended to finance a significant part of the investment plan for the water infrastructure in the provinces of Genoa and Parma, in particular with regard to the expansion and improvement of the aqueduct and sewer network and water treatment systems. At the end of March 2021, a first tranche of €5 million of the CEB loan was drawn down to support the water infrastructure investment plan.

On 23 October 2020, the Issuer and the European Investment Bank (the "**EIB**") signed an agreement for a €100 million credit line with a 16-year duration, which are to be used to finance the Group's 2021-2025 Investment Plan. Specifically, the projects concern the development and improvement of the efficiency of the district heating network in Turin area of a total amount of €197 million.

As of 30 September 2021, undrawn and available amounts of direct loans with EIB and CEB, with a duration of up to 16 years, stood at €295 million.

Debt securities

Iren is currently the issuer of the following syndicate Eurobonds, under the Programme, subscribed for by Italian and foreign institutional investors and listed on Euronext Dublin:

- €500,000,000 2.75 per cent. Notes due 2022, issued in November 2015, of which €359,634,000 is outstanding following the tender offers launched by the Issuer in November 2016 and October 2017;

- €500,000,000 0.875 per cent. Notes due 2024, issued in November 2016;
- €500,000,000 1.50 per cent. Green Notes due 2027, issued in October 2017;
- €500,000,000 1.95 per cent. Green Notes due 2025, issued in September 2018;
- €500,000,000 0.875 per cent. Green Notes due 2029, issued in October 2019;
- €500,000,000 1.00 per cent. Notes due 2030, issued in July 2020; and
- €500,000,000 0.25 per cent. Notes due 2031, comprising €300,000,000 initially issued in December 2020 and a €200,000,000 tap issue in October 2021.

Guarantees

As at 30 June 2021, Iren has issued guarantees and/or has procured the issue of guarantees by third parties. These relate to:

- sureties for own commitments amounting to €689,379 thousand (€793,583 thousand as at 31 December 2020), and
- guarantees provided for subsidiaries and associates amounting to €262,118 thousand, primarily to guarantee credit facilities and sales and parent company guarantees on behalf of Iren Mercato.

For further details on the above guarantees, please see the Issuer's Report as at 30 June 2021 which is incorporated by reference to this Base Prospectus.

Sustainable finance

Sustainable finance framework

Starting from 2017, through the issue of its first green bond, the Group has started a path of sustainable finance to support its investment strategies which are strongly focused on projects with positive impacts in terms of sustainability. In 2017, the Group adopted its first green financing framework and in 2018 its sustainable financing framework, both of which are aligned with the Green Bond Principles published by ICMA in 2018 (the "**GBP**") and the Green Loan Principles published by the Loan Market Association in 2018 (the "**GLP**"). On the basis of those frameworks, the Issuer has issued four green bonds of a total principal amount of €2 billion. The extensive use of green and similar instruments has, over time, changed the composition of the Group's debt, 62% of which is currently composed of sustainable finance instruments.

On 24 March 2022, in line with the Group's sustainable finance strategy and in order to strengthen its commitment to sustainable finance within the current market's evolution, the Issuer adopted a new sustainable finance framework which combines principles relating to the use of proceeds and sustainability-linked principles (the "**2022 Sustainable Finance Framework**"). The 2022 Sustainable Financing Framework has been developed to show how Iren intends to continue supporting its sustainability strategy and vision by combining the use of various green & sustainability-linked financing instruments. The 2022 Sustainable Financing Framework is aligned with the GBP and the Sustainability-Linked Bond Principles published by ICMA and with the GLP, and is available on a dedicated page of the Issuer's website (*https://www.gruppoiren.it/green-bond*). See also "*Use of Proceeds*" above.

Sustainable financing committee

The Issuer has created an inter-functional "Sustainable Financing Committee" in order to strengthen its commitment towards sustainability, with the aim of monitoring potential sustainable investment

initiatives, underwriting any type of financial instrument dedicated to specific green projects and then guaranteeing their implementation. The Sustainable Financing Committee is also responsible for defining the Group's guidelines for the selection of eligible projects and is chaired by the Issuer's CFO and includes members from the following departments: Corporate Social Responsibility and Territorial Committees, Finance and Credit Policy, Investor Relations, Planning and Control, and other departments, with the aim of ensuring the integration of ESG factors across the Issuer's management and at all levels of the Group.

Net financial debt

The following table shows a reconciliation of the Group's Net financial debt(1) as at 31 December 2020 and 2019.

	As at 30 September 2021	As at 30 June 2021	As at 31 December 2020	2019
		(thousands of Euro)		
Non-current financial assets	(193,821)	(201,110)	(166,522)	(148,051)
Current financial assets(2)	(242,541)	(140,732)	(95,356)	(428,707)
Cash and cash equivalents	(544,314)	(720,962)	(890,169)	(345,876)
Non-current financial liabilities	3,748,737	3,747,434	3,825,197	3,167,048
Current financial liabilities	90,825	273,996	274,877	461,713
Net financial debt	**2,858,886**	**2,958,626**	**2,948,027**	**2,706,127**

(1) See also "*Alternative Performance Measures*" on page 7 of this Base Prospectus.

(2) For the year ended on 31 December 2019, the item included €352,900 thousand, relating to the loan granted to the joint venture OLT Offshore LNG Toscana. The equity investment in OLT Offshore LNG Toscana and the related shareholder's loan were classified as assets held for sale, since their carrying amount was expected to be recovered with a sale transaction instead of with their continuing use. In this respect, on 20 September 2019 the Group and Snam signed an agreement for the acquisition by Snam of the equity investment in Offshore LNG Toscana and of the related shareholder's loan. The transaction was completed on 26 February 2020 following receipt of the authorisations from the competent authorities.

Rating

The Programme has been rated "BBB" by Fitch and "BBB-" by S&P. In addition, the Issuer's long-term default and its senior unsecured debt have been rated as follows.

- "BBB" with a stable outlook by Fitch, as most recently confirmed in December 2021;
- a first-time rating of "BBB-" with a positive outlook, assigned by S&P in December 2021.

Environmental Protection

Respect and protection of the environment and biodiversity, the rational use of water resources, efficiency and the reduction in energy consumption, the development of renewable sources and the proper management of the integrated waste cycle are fundamental elements that direct the Group's strategic choices, as shown by the guidelines and as confirmed by the objectives of the Business Plan.

For these purposes, the Group has chosen to:

- diversify its production of electricity by including non-conventional sources, such as wind, hydroelectric, waste-to-energy, photovoltaic and biomass plants;
- adopt a predominant cogeneration framework (production of electricity and thermal energy that feeds the district heating networks in different cities) of the Group's thermoelectric plants in order to contribute to containing specific greenhouse gas emissions;

- provide district heating *(teleriscaldamento)* through cogeneration and waste-to-energy plants contributing to reduce the greenhouse gas emissions produced by domestic boilers;
- develop new "RES" assets, focused mainly on greenfield and brownfield repowering, and storage capacity which are coherent with "RES" growth;
- promote water and energy savings in production processes, offering specific services to its customers and encouraging responsible consumption practices and behaviour by citizens;
- develop rational and sustainable water management by performing operations with a view to reducing leakages in the drinking water networks, by investing in sewer and treatment plants, and promoting water saving policies;
- adopt integrated waste management systems capable of intercepting a large quantity of material for recycling and recovering energy from waste that cannot be recycled promote electric mobility in the management of its activities and offer specific services to its customers.

In the management of such activities, respect for the environment and biodiversity is ensured by the adoption of a system of certifications (ISO 14000, EMAS, UNI CEI 11352 etc.), policies, procedures and monitoring plans aimed at minimizing environmental impacts and implementing continuous improvement actions, in line with the Group's strategic guidelines.

See also "*Strategy*" and "*Financing - Sustainable finance*" above.

Share Capital and Shareholder Structure

Share capital

As at 30 June 2021, Iren had a share capital of €1,300,931,377, fully paid up and consisting of 1,300,931,377 ordinary shares with a nominal value of €1.00 each, of which 17,855,645 were treasury shares, representing 1.37% of its share capital. Since 30 June 2021, there have been no changes to the Issuer's share capital.

The Issuer's shares are admitted to trading on the Blue Chip segment of the MTA. and are included in the FTSE Italia All-Share and FTSE Italia Mid Cap index.

Shareholders

Iren has a widely distributed share ownership structure with over 90 different public shareholders mainly consisting of:

- municipalities from the Emilia Romagna region (the municipality of Reggio Emilia, the municipality of Piacenza, the municipality of Parma, directly and acting through S.T.T. Holding S.p.A. and Parma Infrastrutture S.p.A. and over 60 municipalities in Emilia Romagna region);
- the City of Genoa acting through Finanziaria Sviluppo Utilities S.r.l. ("**FSU**");
- the City of Turin acting through Finanziaria Città di Torino Holding S.p.A. ("**FCTH**");
- the Metropolitan City of Turin through Metro Holding Torino S.r.l. ("**MHT**"); and
- 93 municipalities in the provinces of La Spezia, including the municipality of La Spezia, plus Liguria Patrimonio S.r.l. (a publicly owned company indirectly controlled by the Region of Liguria).

In addition, there are several Italian and international institutional investors and private shareholders.

The following table sets out details of the persons who have significant shareholdings in the Issuer as at 31 December 2021, which is based on disclosures required under Italian law to be made to the Issuer and to CONSOB (the Italian financial markets regulator).

Shareholder	**Number of shares**	**% of total share capital**
Finanziaria Sviluppo Utilities S.r.l.	245,249,617	18.85%
Finanziaria Città di Torino Holding S.p.A.	179,567,795	13.80%
Municipality of Reggio Emilia	83,559,569	6.42%
Municipality of Parma	41,158,566	3.16 %
Municipality of Piacenza	17,846,547	1.37%
Other Municipalities in Emilia	69,238,660	5.32%
Municipality of La Spezia	8,738,560	0.67%
Other municipalities in the Province of La Spezia, including Liguria Patrimonio S.r.l.	14,754,655	1.13%
Treasury shares	17,855,645	1.37%
Other shareholders	590,461,763	45.39%
Total	**1,300,931,377**	**100.00%**

As at 31 December 2021, shareholdings held by public entities represented 53.24% of the total share capital of the Issuer.

Since 1 June 2018, the Issuer's By-laws have entitled shareholders holding their shares for over 24 months to be included, on request, in the special register of shareholders with enhanced voting rights, which they may exercise when voting on resolutions regarding:

- the appointment and/or removal of members of the Issuer's board of directors or of its board of statutory auditors;
- any action against any director or statutory auditor seeking to establish their liability to the Issuer arising whilst acting in that capacity; and
- amendments to the sections of the By-laws that govern enhanced voting rights.

As at 31 December 2021, the Issuer's 1,300,931,377 ordinary shares conferred voting rights as follows:

- 673,261,476 ordinary shares with enhanced voting rights, conferring:
  - 1,346,522,952 votes (i.e. two votes per share) on resolutions proposed at shareholders' meetings with weighted voting; and
  - 673,261,476 (i.e. one vote per share) on all other shareholders' resolutions; and
- 627,669,901 ordinary shares without enhanced voting rights, conferring 627,669,901 votes (i.e. one vote per share) on all resolutions proposed at shareholders' meetings.

Shareholders' agreements

As at the date of this Base Prospectus, there are three shareholders' agreements in force among the public shareholders of the issuer, as described below, all of which were due to expire in April 2022 but have been automatically renewed for a further two years in the absence of any notice to terminate.

Shareholders Agreement

Effective since 5 April 2019, this agreement (the "**Shareholders' Agreement**") is between FSU, FCTH, public shareholders in Emilia (the "**Emilian Parties**") and municipalities in the province of La

Spezia, including the Municipality of La Spezia. The Shareholders' Agreement provides for a block voting syndicate with the aim of guaranteeing the development of the Issuer, the companies in which it has shareholdings and, more generally, its business, as well as to ensure unity and stability in the direction of the Issuer, including through the enhanced voting rights described above, and in particular: (i) determining methods for consultation and joint decision-making regarding certain resolutions at shareholders' meetings; and (ii) setting certain limits on the circulation of the shares contributed.

Emilian Parties' sub-shareholders' agreement

Effective since 5 April 2019, this agreement (the "**Emilian Parties' Sub-Shareholders' Agreement**") is between the Emilian Parties and is intended, among other things, to set out the respective rights and obligations, in order to (i) ensure uniformity of conduct and rules on decisions to be taken by the Emilian Parties in the context of the provisions of the Shareholders Agreement; (ii) provide for further commitments in order to guarantee the development of the Issuer, the companies in which it has shareholdings and, more generally, its business, and to ensure the same unity and stability of direction; (iii) grant a right of pre-emption in favour of the signatories in the event of sale of the Issuer's shares, other than those covered by the block syndicate under the terms of the Emilian Parties' Sub-Shareholders' Agreement; and (iv) grant the Municipality of Reggio Emilia an irrevocable mandate to exercise the rights of the other parties to the agreement on their behalf.

Piedmontese Parties' sub-shareholders' agreement

Effective since 28 September 2021 this agreement (the "**Piedmontese Sub-Shareholders' Agreement**") is between FCTH and Metro Holding Torino S.r.l. ("**MHT**"), and provides for block voting to ensure that the parties agree on candidates in order to appoint directors and statutory auditors in the context of shareholders' resolutions.

Corporate Governance

Corporate governance rules for Italian companies such as Iren, whose shares are listed on Borsa Italiana, are provided under the Italian Civil Code, Legislative Decree No. 58 of 24 February 1998 and the corporate governance rules set out in the voluntary code of corporate governance issued by Borsa Italiana.

Iren has adopted a system of corporate governance, based on a conventional organisational model involving shareholders' meetings, the Board of Directors (which operates through the directors who have executive authority and are empowered to represent Iren), the committees established by the Board of Directors, the Board of Statutory Auditors and the independent auditors.

Board of Directors

The current members of the Board of Directors were appointed by the Issuer's shareholders' meeting on 22 May 2019 for a period of three years. The following table sets out the current members of the Board of Directors of Iren and the main positions held by them outside Iren.

Name	Position	Main positions held outside Iren
Renato Boero	Chairman	Chairman of Nord Ovest Servizi S.p.A. Chairman of Scarlino Energia S.p.A.
Moris Ferretti	Vice President	Chairman of Iren Energia S.p.A. Director of Quanta Stock and Go S.r.l. Director of CCPL 2 S.p.A. Director of CCPL S.C. Chairman of IREN Ambiente Toscana S.p.A. Chairman and CEO of Utilitalia Servizi S.r.l. Chairman of UCH Holding S.r.l.
Gianni Vittorio Armani	Chief Executive Officer and General Manager	Director of Green Energy Storage S.r.l.
Sonia Maria Margherita Cantoni	Director and Member of Risks, Control and Sustainability Committee	Director of Ireti S.p.A.
Pietro Paolo Giampellegrini	Director and Chairman of Remuneration and Appointments Committee	Chairman of Iren Mercato S.p.A.
Enrica Maria Ghia	Director and Member of Risks, Control and Sustainability Committee	Director of Gequity S.p.A. Chairman of Jurisnet S.T.A. S.r.l.
Alessandro Giglio	Director and Member of Committee for Transactions with Related Parties	Director of Iren Energia S.p.A. Chairman of Cloudfood S.r.l. Chairman and CEO of Giglio Group S.p.A. Managing Partner of E.A.O. European Artistic Organisation di Giglio Alessandro & C S.a.s. Chairman of Ecommerce Outsourcing S.r.l. Chairman of Ente Autonomo del Teatro Stabile di Genova Sole Director of Maxfactory S.r.l. Director of Meridiana Holding S.r.l.
Francesca Grasselli	Director and Member of Remuneration and Appointments Committee	Vice President of GHG Holding S.p.A. Vice President of GHG Gourmet S.r.l. Vice President of GHG RE S.r.l. Director of Grasselli S.p.A. Chairwoman and CEO of GWN Holding S.r.l.
Maurizio Irrera	Director and Member of Remuneration and Appointments Committee	Director of Iren Mercato S.p.A. Director of Permicro S.p.A. Vice President of REAM SGR S.p.A. Chairman of Unieco Holding Ambiente S.r.l.
Cristiano Lavaggi	Director and Member of Risks, Control and Sustainability Committee	Sole Director of Liguria Patrimonio S.r.l. Sole Director of Mafalda S.r.l.
Ginevra Virginia Lombardi	Director and Member of Committee for Transactions with Related Parties	Chairwoman of Supervisory Board of Azienda Servizi Ambientali S.p.A.

Name	Position	Main positions held outside Iren
Giacomo Malmesi	Director, Chairman of Risks, Control and Sustainability Committee and Member of Committee for Transactions with Related Parties and Member of Control and Risk Committee	Director of Iren Ambiente S.p.A. Director of Azienda Agricola Bocchi S.p.A. Vice President and Managing Director of Immobiliare degli Orti S.p.A. Director of Malmscot S.r.l.s. Director of Nuovo Inizio S.r.l. Vice President of SSDARL Academy Parma Calcio 1913 S.r.l. Director of SICEM – SAGA S.p.A.
Tiziana Merlino	Director	Director of Finale Ambiente S.p.A. Director of TB S.p.A.
Gianluca Micconi	Director	Director of Centro Revisioni Diagnosi e Collaudi S.r.l. Director of Futura S.p.A.
Licia Soncini	Director, Chairwoman of Committee for Transactions with Related Parties	Director of Atlantia S.p.A. Chairwoman of Nomos Centro Studi Parlamentari.

The business address of each of the members of the Board of Directors is the Issuer's registered office.

Board of Statutory Auditors

The shareholders' meeting of Iren held on 6 May 2021 appointed the Board of Statutory Auditors of Iren for a period of three financial years. The following table sets out the current members of the Board of Statutory Auditors of Iren and the main positions held by them outside Iren.

Name	Position	Main positions held outside Iren
Michele Rutigliano	Chairman	Director and Chairman of the Management Control Committee of Società Cattolica di Assicurazione S.p.A. Chairman of Board of Statutory Auditors of Bancomat S.p.A. Statutory Auditor of Iren Energia S.p.A. Statutory Auditor of Ireti S.p.A.
Cristina Chiantia	Statutory Auditor	Auditor of Edilgamma S.r.l. Statutory Auditor of I3P S.c.p.a. Statutory Auditor of IREN Mercato S.p.A. Statutory Auditor of AMIAT S.p.A. Statutory Auditor of San Germano S.p.A. Substitute Auditor of ELLEMME S.p.A. Substitute Auditor of Rai Way S.p.A. Chairwoman of Board of Statutory Auditors of Roboze S.p.A. Substitute Auditor of S.A.A.P.A. S.p.A. Statutory Auditor of Sofia Gestione del Patrimonio SGR S.p.A.
Ugo Ballerini	Statutory Auditor	-

Name	Position	Main positions held outside Iren
Sonia Ferrero	Statutory Auditor	Director of Arca Impresa Sgr S.p.A. Statutory Auditor of Atlantia S.p.A. Statutory Auditor of Aurea Prestiti S.p.A. Substitute Auditor of Eprice S.p.A. Substitute Auditor of F.I.L.A. S.p.A. Statutory Auditor of Gens Aurea S.p.A. Chairwoman of Board of Statutory Auditors of Geox S.p.A. Substitute Auditor of Global Payments S.p.A. Substitute Auditor of Marley Asset Revalue S.p.A. Statutory Auditor of Profilo Estate S.r.l. Statutory Auditor of Siena Ambiente S.p.A. Substitute Auditor of TAS S.p.A. Chairwoman of Board of Statutory Auditors of Tinaba S.p.A. Statutory Auditor of Valvitalia Finanziaria S.p.A. Statutory Auditor of Valvitalia S.p.A.
Simone Caprari	Statutory Auditor	Statutory Auditor of IREN Ambiente S.p.A. Director of Reggio Children – Centro Internazionale per la difesa e la promozione dei diritti e delle potenzialità dei bambini e delle bambine S.r.l. Director of CCPL S.p.A. Director of CCPL Consorzio Cooperative di produzione e lavoro SC Director of CCPL Inerti S.p.A. Director of Tangram S.p.A. Director of RR FIN S.p.A. Director of CCPL 2 S.p.A. Auditor of Quanta – Stock and go S.r.l. Statutory Auditor of AR/S Archeosistemi Soc. Coop. Substitute Auditor of Archimede S.p.A. Auditor of Assist S.r.l. Statutory Auditor of Aurum S.p.A. Statutory Auditor of Coopservice International S.p.A. Auditor of Coopservice Servizi Fiduciari S.r.l. Statutory Auditor of Finanza Cooperativa Soc. Coop Statutory Auditor of IREN Acqua S.p.A. Statutory Auditor of IREN Ambiente Parma S.r.l. Statutory Auditor of Kverneland Group Italia S.r.l. Substitute Auditor of Lavorwash S.p.A. Statutory Auditor of So.Sel S.p.A. Substitute Auditor of Elettrotek Kabel S.p.A. Director of RESTA S.r.l.

Name	Position	Main positions held outside Iren
Lucia Tacchino	Substitute Auditor	Director of BIM Fiduciaria S.p.A. Statutory Auditor of Elettracqua S.r.l. Substitute Auditor of Essegei S.p.A. Substitute Auditor of Fin 01 S.p.A. Substitute Auditor of Genuensis di Revisione S.p.A. Statutory Auditor of Giuglio Group S.p.A. Statutory Auditor of Hydra Energia S.r.l. Statutory Auditor of San Giorgio Gestione Patrimoniale S.r.l. Statutory Audito of Unistara S.p.A.
Fabrizio Riccardo Di Giusto	Substitute Auditor	Statutory Auditor of BFF Bank S.p.A. Chairman of Board of Statutory Auditors of Buzzi Unicem S.p.A. Statutory Auditor of Dinex Italia S.r.l. Substitute Auditor of Italstem S.p.A. Chairman of Board of Statutory Auditors of Tupini S.p.A. Substitute Auditor of V.B.R. S.r.l.

The substitute auditors automatically replace any standing statutory auditors who resign or are otherwise unable to serve as a statutory auditor.

Conflicts of interest

At the date hereof, no member of the Board of Directors or the Board of Statutory Auditors has any private interests in conflict or potential conflict with his duties arising from his or her office or position within the Group.

Employees

At 30 June 2021, the employees working for the Iren Group totalled 8,837, compared to 8,680 employees at 31 December 2020.

Legal Proceedings

Due to its extensive customer base and the variety of its business, the Group is party to a number of civil, administrative and arbitration proceedings arising from the conduct of its corporate activities and may from time to time be subject to inspections by tax and other authorities. The Group is also involved in disputes with the Italian tax authorities. In its consolidated financial statements, as at 30 June 2021, the Issuer had a provision for risks related to higher charges and various disputes, including legal proceedings, amounting at €177,458 thousand. At the date of this Base Prospectus the Issuer's management has no grounds for believing that this provision may be inadequate.

With regard to the existing claims and proceedings against companies of the Group, although it is difficult to determine their outcome with certainty, the management of the Group, based on information available as at the date of this Base Prospectus, believes that:

(i) liabilities relating to these claims and proceedings are unlikely to have, in the aggregate, a material adverse effect on the consolidated financial condition or result of operations of the Group;

(ii) where liabilities relating to these claims and proceedings are probable and quantifiable, adequate provision has, in terms of established reserves and in the light of the circumstances currently known to Iren, been made in the Group's financial statements; and

(iii) where liabilities relating to these claims and proceedings are not probable or probable but not quantifiable, adequate disclosure has been made in the Group's financial statements.

Recent Developments

Award of tender for remaining stake in Nove

On 12 October 2021, Iren Energia was awarded the tender by the Municipality of Grugliasco for the sale of a 51% stake in Nove at a price of approximately €5.4 million, thereby increasing the Group's shareholding in that company from 49% to 100%. Iren intends to start the implementation of Nove's recently approved business plan immediately, providing for an increase in the volumes connected to the network from the current 2.3 mcm to about 3.8 mcm in the next few years. Thanks to this further acquisition, Iren Energia serves more than 700,000 citizens in the Turin metropolitan area, managing approximately 70 mcm of district heating network which is expected to see further future development with the aim of saturating the production capacity of existing plants.

Acquisition of Bosch Energy and Building Solutions Italy

On 30 November 2021, Iren Smart Solutions completed the acquisition of the entire share capital of Bosch Energy and Building Solutions Italy S.r.l., a company operating in the energy efficiency sector including as an energy service company. The strategic rationale of the transaction lies in the complementary nature of the activities carried out by Iren Smart Solutions and the target company. The transaction had an enterprise value estimated at about €9 million.

Acquisition of controlling stake in Alegas

On 29 December 2021, having been awarded the tender launched by AMAG S.p.A., a multiutility company headquartered in the province of Alessandria in the Piedmont region, Iren Mercato signed a preliminary agreement with AMAG for the acquisition of an 80% stake in Alegas S.r.l. ("**Alegas**"), which operates in the sale of gas and electricity and has a portfolio of approximately 43,000 customers, mostly retail, of which 36,000 are gas customers and 7,000 electricity customers, 98% of which are distributed throughout the Province of Alessandria. The purchase price paid by Iren for the acquisition of the stake was €16.7 million which, taking into account the net financial position of Alegas, corresponds to an enterprise value of € 27.6 million. As at the date of this Base Prospectus, completion of the acquisition has not yet taken place.

Consortium wins bid for gas distribution assets of A2A

On 31 December 2021, following a successful bid, a consortium formed by Iren (with a 14% share), Ascopiave (58%) and ACEA (28%) signed an agreement with the A2A Group to acquire a number of natural gas distribution concessions from A2A. The assets involved in the transaction include approximately 157 thousand redelivery points across eight Italian regions, forming part of 24 ATEM's (minimum concession areas) and consisting of over 2,800 km of network. With an enterprise value estimated at €126.7 million as at 30 June 2021, the transaction is expected to close in the first half of 2022.

The acquired assets are to be transferred by the A2A Group to a new company, whose shares will be acquired by the consortium members in proportion to their respective interests in the consortium, subject to the demerger of certain assets of interest to Acea and Iren, which are expected to take place within 12 months of closing. The assets of interest to Iren consist of concessions in four ATEM's, including one in Lombardy and three in Emilia-Romagna, involving a total of approximately

12,300 points of redelivery. The enterprise value is estimated at €17.7 million inclusive of €1.3 million relating to the business unit owned by Retragas S.p.A. (an A2A group company), the sale of which is conditional on obtaining the authorisation for the reclassification of transport assets into distribution assets.

Acquisition of photovoltaic plants in Apulia

On 16 February 2022, the Issuer, through Iren Energia, completed the acquisition of the entire share capital of Puglia Holding S.r.l. ("**Puglia Holding**") in accordance with the terms of the sale and purchase agreement. The company fully controls five special purpose vehicles which hold various authorisations for the construction and management of the Troia photovoltaic parks located in San Vincenzo, the Montevergine parks in the province of Foggia and the Palo del Colle complex located in the province of Bari, all in the Apulia region. The transaction has an enterprise value estimated at €166 million.

The photovoltaic plants of Puglia Holding have an installed capacity of 121.5 MW and an average annual production of approximately 180 GWh. Following this transaction, the photovoltaic capacity managed by Iren amounted to approximately 140 MW which, added to the 604 MW of hydroelectric capacity, brought the total renewable capacity of the Group to 744 MW. The transaction allows the Issuer to grow in the renewables sector and, specifically, in the photovoltaic sector, and fully falls within the strategic investments for ecological transition outlined in the Issuer's Business Plan, which sets a target of 2.2 GW of new renewable capacity to be achieved by 2030.

SUMMARY FINANCIAL INFORMATION OF THE ISSUER

The following tables contain:

(i) the consolidated statement of financial position of the Issuer as at 31 December 2020 and 2019 and its income statement for the years ended 31 December 2020 and 2019, derived from the Issuer's audited consolidated annual financial statements as at and for the years ended 31 December 2020 and 2019;

(ii) the consolidated statement of financial position of the Issuer as at 30 June 2021 and 31 December 2020, and the consolidated income statement of the Issuer for the six months ended 30 June 2021 and 2020, derived from the Issuer's unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2021; and

(iii) the consolidated statement of financial position of the Issuer as at 30 September 2021 and 31 December 2020, and the consolidated income statement of the Issuer for the nine months ended 30 September 2021 and 2020, derived from the Issuer's unaudited consolidated interim financial information as at and for the nine months ended 30 September 2021.

This information should be read in conjunction with, and is qualified in its entirety by reference to the Issuer's audited consolidated annual financial statements as at and for the years ended 31 December 2020 and 2019, its unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2021 and its unaudited consolidated interim financial information as at and for the nine months ended 30 September 2021, in each case together with (where applicable) the accompanying notes and auditors' reports, all of which are incorporated by reference in this Base Prospectus. See "*Information Incorporated by Reference*".

Access to copies of all the above-mentioned annual and half-yearly financial statements of the Issuer are available as described in "*Information Incorporated by Reference – Access to documents*" above.

Basis of preparation of financial information

The Issuer has prepared its consolidated annual and half-yearly financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union.

Auditing of financial information

PricewaterhouseCoopers S.p.A., the former auditors to the Issuer, audited the consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2020 and 2019.

KPMG S.p.A. ("**KPMG**"), the current auditors to the Issuer, have performed a limited review on the unaudited condensed consolidated interim financial information of the Issuer as at and for the six months ended 30 June 2021 in accordance with Consob Regulation No. 10867 of 31 July 1997.

The unaudited consolidated interim financial information of the Issuer as at and for the nine months ended 30 September 2021 has not been audited or reviewed by independent auditors.

Restated financial information

Some of the comparative figures in the right-hand columns of the tables below are restated, as described in the footnotes to those tables. In particular, the 2021 first-half and third-quarter interim financial information in the following tables shows: (i) restated financial position data as at 31 December 2020; and (ii) restated income statement data for the six months ended 30 June 2020 and for the nine months ended 30 September 2020. None of those restated data have been audited or reviewed (or otherwise verified) by independent auditors.

IREN S.p.A.
AUDITED CONSOLIDATED ANNUAL STATEMENT OF FINANCIAL POSITION

Assets

	As at 31 December 2020	2019 Restated(*)
	(thousands of Euro)	
Property, plant and equipment	3,831,865	3,600,408
Investment property	2,764	3,003
Intangible assets with a finite useful life	2,355,140	2,195,572
Goodwill	213,587	158,399
Investments accounted for using the equity method	173,513	137,275
Other equity investments	4,020	7,403
Non-current trade receivables	115,113	74,443
Non-current financial assets	166,522	148,051
Other non-current assets	66,670	35,490
Deferred tax assets	369,375	368,436
Total non-current assets	**7,298,569**	**6,728,480**
Inventories	66,521	71,789
Trade receivables	875,661	905,628
Current tax assets	9,622	18,851
Other receivables and other current assets	317,082	305,296
Current financial assets	95,356	75,807
Cash and cash equivalents	890,169	345,876
Total current assets	**2,254,411**	**1,723,247**
Assets held for sale	1,285	354,193
TOTAL ASSETS	**9,554,265**	**8,805,920**

(*) As required by IFRS 3, the balance sheet amounts as at 31 December 2019 have been restated to consider, at the date of acquisition, the effects arising from the completion, during the financial year 2020, of the allocation of the acquisition price at the final fair value of the assets and liabilities acquired *(Purchase Price Allocation*) of the companies Ferrania Ecologia and Territorio e Risorse.

IREN S.p.A.

AUDITED CONSOLIDATED ANNUAL STATEMENT OF FINANCIAL POSITION (Cont'd)

Equity and Liabilities

	As at 31 December	
	2020	**2019 Restated(*)**
EQUITY	*(thousands of Euro)*	
Equity attributable to shareholders		
Share capital	1,300,931	1,300,931
Reserves and retained earnings (losses)	855,061	750,264
Net profit (loss) for the period	235,322	236,362
Total equity attributable to shareholders	**2,391,314**	**2,287,557**
Equity attributable to non-controlling interests	372,214	363,756
Total equity	**2,763,528**	**2,651,313**
LIABILITIES		
Non-current financial liabilities	3,825,197	3,167,048
Employee benefits	109,027	106,420
Provisions for risks and charges	405,456	415,260
Deferred tax liabilities	203,540	210,266
Other payables and other non-current liabilities	488,006	480,040
Total non-current liabilities	**5,031,226**	**4,379,034**
Current financial liabilities	274,877	461,713
Trade payables	977,906	887,062
Other payables and other current liabilities	345,447	306,735
Current tax liabilities	5,309	1,761
Provisions for risks and charges - current portion	155,972	118,302
Total current liabilities	**1,759,511**	**1,775,573**
Liabilities related to assets held for sale	-	-
Total liabilities	**6,790,737**	**6,154,607**
TOTAL EQUITY AND LIABILITIES	**9,554,265**	**8,805,920**

(*) As required by IFRS 3, the balance sheet amounts as at 31 December 2019 have been restated to consider, at the date of acquisition, the effects arising from the completion, during the financial year 2020, of the allocation of the acquisition price at the final fair value of the assets and liabilities acquired *(Purchase Price Allocation*) of the companies Ferrania Ecologia and Territorio e Risorse.

IREN S.p.A.
AUDITED CONSOLIDATED ANNUAL INCOME STATEMENT

	For the year ended 31 December	
	2020	**2019**
	(thousands of Euro)	
Revenue		
Revenue from goods and services	3,537,250	4,081,333
Other income	188,211	193,373
Total revenue	**3,725,461**	**4,274,706**
Operating expenses		
Raw materials, consumables, supplies and goods	(1,021,501)	(1,410,798)
Services and use of third-party assets	(1,294,058)	(1,458,394)
Other operating expenses	(71,472)	(78,976)
Capitalised expenses for internal work	38,262	33,444
Personnel expenses	(449,341)	(442,721)
Total operating expenses	**(2,798,110)**	**(3,357,445)**
GROSS OPERATING PROFIT	**927,351**	**917,261**
Depreciation, amortisation, provisions and impairment losses		
Depreciation and amortisation	(440,910)	(403,563)
Provisions for impairment of receivables	(61,708)	(37,203)
Other provisions and impairment losses	(8,943)	(24,647)
Total depreciation, amortisation, provisions and impairment losses	**(511,561)**	**(465,413)**
OPERATING PROFIT	**415,790**	**451,848**
Financial income and expense		
Financial income	38,372	34,614
Financial expenses	(93,630)	(114,482)
Total financial income and expenses	**(55,258)**	**(79,868)**
Share of profit (loss) of associates accounted for using the equity method	6,535	4,477
Value adjustments on equity investments	(1,862)	558
Profit (loss) before tax	**365,205**	**377,015**
Income tax expense	(100,134)	(111,550)
Net profit (loss) from continuing operations	**265,071**	**265,465**
Net profit (loss) from discontinued operations	-	-
Net profit (loss) for the period	**265,071**	**265,465**
attributable to:		
- Profit (loss) for the period attributable to shareholders	235,322	236,362
- Profit (loss) for the period attributable to non-controlling interests	29,749	29,103

(*) As required by IFRS 3, the 2019 financial balances have been restated to consider, at the date of acquisition, the effects arising from the completion, during the financial year 2020, of the allocation of the acquisition price at the final fair value of the assets and liabilities acquired *(Purchase Price Allocation*) of the companies Ferrania Ecologia and Territorio e Risorse.

IREN S.p.A.
UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Assets

	As at	
	30 June 2021	31 December 2020 Restated(*)
	(thousands of Euro)	
	(Unaudited)	**(Unaudited)**
Property, plant and equipment	3,865,809	3,833,443
Investment property	2,490	2,764
Intangible assets with a finite useful life	2,362,091	2,355,140
Goodwill	214,054	213,502
Investments accounted for using the equity method	174,321	173,513
Other equity investments	5,719	4,020
Non-current trade receivables	98,279	115,113
Non-current financial assets	201,110	166,522
Other non-current assets	76,905	66,670
Deferred tax assets	379,154	369,375
Total non-current assets	**7,379,932**	**7,300,062**
Inventories	83,981	66,606
Trade receivables	790,544	875,661
Current tax assets	4,527	9,622
Other receivables and other current assets	296,779	317,082
Current financial assets	140,732	95,356
Cash and cash equivalents	720,962	890,169
Total current assets	**2,037,525**	**2,254,496**
Assets held for sale	1,144	1,285
TOTAL ASSETS	**9,418,601**	**9,555,843**

(*) As required by IFRS 3, the financial position as at 31 December 2020 has been restated to take into account, at the acquisition date, the effects of updating the provisional fair value of the net assets of the Unieco Waste Management Division and the completion of the purchase price allocation to the final fair value of the acquired assets and liabilities of the district heating business unit of SEI Energia.

IREN S.p.A.

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (Cont'd)

Equity and Liabilities

	As at	
	30 June 2021	31 December 2020 Restated(*)
	(thousands of Euro)	
EQUITY	**(Unaudited)**	**(Unaudited)**
Equity attributable to shareholders		
Share capital	1,300,931	1,300,931
Reserves and retained earnings (losses)	988,442	855,061
Net profit (loss) for the period	193,238	235,345
Total equity attributable to shareholders	**2,482,611**	**2,391,337**
Equity attributable to non-controlling interests	360,644	372,214
Total equity	**2,843,255**	**2,763,551**
LIABILITIES		
Non-current financial liabilities	3,747,434	3,826,378
Employee benefits	104,947	109,027
Provisions for risks and charges	407,277	405,456
Deferred tax liabilities	180,901	203,540
Other payables and other non-current liabilities	490,397	488,006
Total non-current liabilities	**4,930,956**	**5,032,407**
Current financial liabilities	273,996	275,251
Trade payables	845,532	977,906
Other payables and other current liabilities	371,432	345,447
Current tax liabilities	19,705	5,309
Provisions for risks and charges - current portion	133,725	155,972
Total current liabilities	**1,644,390**	**1,759,885**
Liabilities related to assets held for sale	-	-
Total liabilities	**6,575,346**	**6,792,292**
TOTAL EQUITY AND LIABILITIES	**9,418,601**	**9,555,843**

(*) As required by IFRS 3, the financial position as at 31 December 2020 has been restated to take into account, at the acquisition date, the effects of updating the provisional fair value of the net assets of the Unieco Waste Management Division and the completion of the purchase price allocation to the final fair value of the acquired assets and liabilities of the district heating business unit of SEI Energia.

IREN S.p.A.
UNAUDITED CONSOLIDATED INTERIM INCOME STATEMENT

	For the six months ended 30 June	
	2021	2020 Restated
	(thousands of Euro)	
	(Unaudited)	(Unaudited)
Revenue		
Revenue from goods and services	1,966,711	1,742,825
Other income	38,293	83,063
Total revenue	**2,005,004**	**1,825,888**
Operating expenses		
Raw materials, consumables, supplies and goods	(562,083)	(508,371)
Services and use of third-party assets	(663,309)	(606,511)
Other operating expenses	(34,879)	(33,652)
Capitalised expenses for internal work	20,714	17,534
Personnel expense	(247,971)	(221,584)
Total operating expenses	**(1,487,528)**	**(1,352,584)**
GROSS OPERATING PROFIT (EBITDA)	**517,476**	**473,304**
Depreciation, amortisation, provisions and impairment losses		
Depreciation and amortisation	(228,507)	(206,508)
Provisions for impairment of receivables	(33,662)	(42,523)
Other provisions and impairment losses	(4,198)	7,626
Total depreciation, amortisation, provisions and impairment losses	**(266,367)**	**(241,405)**
OPERATING PROFIT (EBIT)	**251,109**	**231,899**
Financial income and expense		
Financial income	26,964	13,777
Financial expense	(41,603)	(44,144)
Total financial income and expense	**(14,639)**	**(30,367)**
Share of profit/(loss) of associates accounted for using the equity method	6,276	5,143
Value adjustments on equity investments	-	(146)
Profit/(loss) before tax	**242,746**	**206,529**
Income tax expense	(34,238)	(60,927)
- of which non-recurring	*32,258*	-
Net profit/(loss) from continuing operations	**208,508**	**145,602**
Net profit/(loss) from discontinued operations	-	-
Net profit/(loss) for the period	**208,508**	**145,602**
attributable to:		
- Profit (loss) for the period attributable to shareholders	193,238	132,674
- Profit (loss) for the period attributable to non-controlling interests	15,270	12,928

(*) As required by IFRS 3, the income statement balances for the first half of 2020 have been restated to take into account, at the acquisition date, the effects arising from the completion, at the end of 2020, of the purchase price allocation to the final fair value of the acquired assets and liabilities of the company Territorio e Risorse.

IREN S.p.A.
UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Assets

	As at 30 September 2021	As at 31 December 2020 Restated(*)
	(thousands of Euro)	
	(Unaudited)	**(Unaudited)**
Property, plant and equipment	3,909,242	3,833,443
Investment property	2,473	2,764
Intangible assets with a finite useful life	2,411,015	2,355,140
Goodwill	247,373	213,502
Investments accounted for using the equity method	173,469	173,513
Other equity investments	5,825	4,020
Non-current trade receivables	113,844	115,113
Non-current financial assets	193,821	166,522
Other non-current assets	102,252	66,670
Deferred tax assets	393,180	369,375
Total non-current assets	**7,552,494**	**7,300,062**
Inventories	124,543	66,606
Trade receivables	754,619	875,661
Current tax assets	3,956	9,622
Other receivables and other current assets	287,542	317,082
Current financial assets	242,541	95,356
Cash and cash equivalents	544,314	890,169
Total current assets	**1,957,515**	**2,254,496**
Assets held for sale	1,144	1,285
TOTAL ASSETS	**9,511,153**	**9,555,843**

(*) As required by IFRS 3, the financial position at 31 December 2020 has been restated to consider, at the date of acquisition, the effects of the updating of the provisional fair value of the net assets of the Unieco Waste Management Division and the completion of the allocation of the acquisition price at the final fair value of the assets and liabilities acquired *(Purchase Price Allocation*) of the district heating business unit of SEI Energia.

IREN S.p.A.

UNAUDITED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (Cont'd)

Equity and Liabilities

	As at 30 September 2021	As at 31 December 2020 Restated(*)
	(thousands of Euro)	
EQUITY	**(Unaudited)**	**(Unaudited)**
Equity attributable to shareholders		
Share capital	1,300,931	1,300,931
Reserves and retained earnings (losses)	1,022,844	855,061
Net profit (loss) for the period	241,520	235,345
Total equity attributable to shareholders	**2,565,295**	**2,391,337**
Equity attributable to non-controlling interests	367,651	372,214
Total equity	**2,932,946**	**2,763,551**
LIABILITIES		
Non-current financial liabilities	3,748,737	3,826,378
Employee benefits	103,229	109,027
Provisions for risks and charges	414,070	405,456
Deferred tax liabilities	207,523	203,540
Other payables and other non-current liabilities	495,606	488,006
Total non-current liabilities	**4,969,165**	**5,032,407**
Current financial liabilities	90,825	275,251
Trade payables	983,319	977,906
Other payables and other current liabilities	348,662	345,447
Current tax liabilities	33,183	5,309
Provisions for risks and charges - current portion	153,053	155,972
Total current liabilities	**1,609,042**	**1,759,885**
Liabilities related to assets held for sale	-	-
Total liabilities	**6,578,207**	**6,792,292**
TOTAL EQUITY AND LIABILITIES	**9,511,153**	**9,555,843**

(*) As required by IFRS 3, the financial position at 31 December 2020 has been restated to consider, at the date of acquisition, the effects of the updating of the provisional fair value of the net assets of the Unieco Waste Management Division and the completion of the allocation of the acquisition price at the final fair value of the assets and liabilities acquired *(Purchase Price Allocation*) of the district heating business unit of SEI Energia.

IREN S.p.A.
UNAUDITED CONSOLIDATED INTERIM INCOME STATEMENT

	For the nine months ended 30 September	
	2021	2020 Restated(*)
	(thousands of Euro)	
	(Unaudited)	(Unaudited)
Revenue		
Revenue from goods and services	3,017,089	2,501,301
Other income	86,709	127,868
Total revenue	**3,103,798**	**2,629,169**
Operating expenses		
Raw materials, consumables, supplies and goods	(970,558)	(710,317)
Services and use of third-party assets	(1,018,553)	(913,790)
Other operating expenses	(52,036)	(50,455)
Capitalised expenses for internal work	31,189	26,605
Personnel expense	(361,228)	(328,627)
Total operating expenses	**(2,371,186)**	**(1,976,584)**
GROSS OPERATING PROFIT (EBITDA)	**732,612**	**652,585**
Depreciation, amortisation, provisions and impairment losses		
Depreciation and amortisation	(345,428)	(316,266)
Provisions for impairment of receivables	(44,627)	(51,348)
Other provisions and impairment losses	(6,191)	5,091
Total depreciation, amortisation, provisions and impairment losses	**(396,246)**	**(362,523)**
OPERATING PROFIT (EBIT)	**336,366**	**290,062**
Financial income and expense		
Financial income	32,157	18,213
Financial expense	(59,330)	(67,142)
Total financial income and expense	**(27,173)**	**(48,929)**
Share of profit/(loss) of associates accounted for using the equity method	6,075	6,561
Value adjustments on equity investments	-	(1,672)
Profit/(loss) before tax	**315,268**	**246,022**
Income tax expense	(51,897)	(72,582)
- of which non-recurring	*32,268*	-
Net profit/(loss) from continuing operations	**263,371**	**173,440**
Net profit/(loss) from discontinued operations	-	-
Net profit/(loss) for the period	**263,371**	**173,440**
attributable to:		
- Profit (loss) for the period attributable to shareholders	241,520	153,219
- Profit (loss) for the period attributable to non-controlling interests	21,851	20,221

(*) As required by IFRS 3, the cash flow balances of the first nine months of 2020 have been restated to take into account, at the acquisition date, the effects of the completion, at the end of 2020, of the purchase price allocation at the final fair value of the assets and liabilities acquired (*Purchase Price Allocation*) of the company Territorio e Risorse.

REGULATION

EU and Italian laws heavily regulate the Group's core energy, water and waste management businesses and may affect the Group's operating profit or the way it conducts business. The principal legislative and regulatory measures applicable to the Group's energy, water and waste management businesses are summarised below. Although this summary contains the principal information that the Issuer considers material in the context of the issue of the Notes, it is not an exhaustive account of all applicable laws and regulations. Prospective investors and/or their advisers should make their own analysis and assessment of the legislation and regulations affecting the Group and of the impact it may have on an investment in the Notes and should not rely on this summary only.

General framework of European and Italian regulation

EU energy regulation: general framework

The European Union is active in the energy regulation by means of its legislative powers, as well as investigations and other actions carried out by the European Commission. In 2009, the European institutions adopted the EU Directive 2009/37/EC (the so-called "**Third Energy Package**"), which includes several directives and regulations aimed at completing the liberalisation of both electricity and gas markets. In particular, the Third Energy Package provides for the separation of supply and production activities from transmission network operations.

In Italy, the principles set out in the Third Energy Package (in particular, EU Directives 2009/72/EC, 2009/73/EC and 2008/92/EC) have been implemented by means of Legislative Decree 1 June 2011, No. 93 (the "**Legislative Decree 93/2011**"), implementing, at a national levels, the common rules for the internal market of electricity and natural gas, as well as by means of several resolutions subsequently adopted by ARERA. On 21 December 2018, EU Directives Nos. 2018/2001/EU and 2018/2002/UE were published in the EU Official Journal. The directives redefine the regulatory framework on energy efficiency by establishing new objectives to be achieved within 2030.

- **EU Directive No. 2018/844** of 30 May 2018 amends EU Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency outlines specific measures for the building sector to tackle GHG emissions and energy efficiency challenges.
- **EU Directive No. 2018/2001** of 11 December 2018 (on the promotion of the use of energy from renewable sources) replaces and repeals EU Directive No. 2009/28/CE and is intended to accelerate the transition from fossil fuels to renewable forms of energy with a binding target of 32% for renewable energy sources in 2030.
- **EU Directive No. 2018/2002** of 11 December 2018 (on energy efficiency) replaces and repeals EU Directive No. 2012/27/UE and it aims at making binding annual energy savings of 32.5% in 2030. The directive was to be transposed and implemented into national law in the Member States by 25 June 2020 and was transposed into national law by means of Legislative Decree 14 July 2020, No. 73.
- **EU Regulation No. 2018/1999** of 11 December 2018 defines the Governance of the Energy Union and Climate Action and introduces five dimensions for the governance of the energy union, through which each Member State is required to draft integrated 10-year national energy and climate plans ("**NECPs**") for 2021 to 2030 outlining how they will achieve their respective targets on all dimensions of the energy union, including a longer-term view towards 2050.

In 2019 the EU completed a comprehensive update of its energy policy framework through the so-called Clean Energy for all Europeans Package ("**CEP**") which marked a significant step towards the implementation of the energy union strategy, to facilitate the transition away from fossil fuels towards

cleaner energy and to deliver on the EU's Paris Agreement commitments for reducing greenhouse gas emissions.

The CEP defines the EU's energy union strategy made up of five dimensions: (i) energy security, (ii) fully integrated internal energy market, (iii) energy efficiency, (iv) climate action-decarbonising the economy, (v) research, innovation and competitiveness.

In January 2020, with the communication on the so called "Green Deal" (COM (2019) 640), the EU Commission outlined a roadmap aiming at strengthening the eco-sustainability of the EU economy through a wide spectrum of interventions that focus primarily on the skills of Member States and affect energy, industry (including construction), mobility and agriculture. The Green Deal is Europe's new growth strategy that aims to transform the EU into a fair and prosperous society and combines policies to tackle climate change, protect and restore biodiversity, eliminate pollution, move to a circular economy, and ensure that no one is left behind in the green transition. The Green Deal intends to go beyond what has already been established by the 2030 Framework for climate and energy, which will consequently have to be revised.

In 2021 the EU adopted a "Fit for 55" package that includes initiatives on Revision of the EU Emissions Trading System ("**ETS"**), Carbon Border Adjustment Mechanism ("**CBAM**") and a proposal for CBAM as own resource, Revision of the Energy Tax Directive, Amendment to the Renewable Energy Directive to implement the ambition of the new 2030 climate target ("**RED"**) and Energy Efficiency Directive ("**EED**"), Reducing methane emissions in the energy sector, Revision of the energy performance of Buildings Directive ("**EPBD**"), Revision of the Third Energy Package for gas (Directive 2009/73/EU and Regulation 715/2009/EU) to regulate competitive decarbonised gas markets and other initiatives in the energy transition and circular economy.

On 15 December 2021, the EU Commission launched the "Hydrogen and Gas Market Decarbonisation package" (proposal of Regulation and Directive), in order to decarbonise the EU gas market by facilitating the uptake of renewable and low carbon gases, including hydrogen, and to ensure energy security for all citizens in Europe. The main objectives of this package are: (i) to foster the deployment of renewable and low-carbon gases; (ii) to increase the EU energy security, as the natural gas import will be reduced. The domestic production of renewable gas will have positive effects on gas prices in the medium term; (iii) to create a hydrogen market with a fit-for-purpose infrastructure and cross-border coordination, including interconnectors.

The European Circular Economy

The overall goal of the new package of EU Directives (No. 2018/849, 2018/850, 2018/851 and 2018/852, the "**Circular Economy Package**") is to improve EU waste management. This will contribute to the protection, preservation, and improvement of the quality of the environment as well as encourage the prudent and rational use of natural resources. More specifically, the Circular Economy Package aims to implement the concept of "waste hierarchy", which has been defined in Article 4 of the Waste Framework Directive. The waste hierarchy sets a priority order for all waste prevention and management legislation and policy as follows, making any disposal of waste a solution of last resort:

1. prevention;
2. preparing for re-use;
3. recycling;
4. other recovery (e.g. energy recovery);
5. disposal.

The waste hierarchy promotes a shift to a more sustainable "circular economy". The Circular Economy Package relies on more rigorous Member States' monitoring and reporting obligations, as well as implementing and review powers conferred to the European Commission.

Italy's integrated approach

Italy plans to take an integrated approach in order to tackle issues relating to climate and energy and agrees with the approach proposed by EU Regulation No. 2018/1999, which opts for an organic and synergic strategy for the five dimensions of the Energy Union. The key points of the integrated approach are:

1. **Decarbonization**: by accelerating the transition from traditional fuels to renewable sources and promoting the gradual phasing out of coal for electricity in favour of an electricity combination based on a growing renewables share and gas. This transition will require replacement plants and the necessary infrastructure to be built with the proper planning;
2. **Energy efficiency**: providing a combination of physical, regulatory and policy instruments, calibrated towards the sectors of activity (i.e., industry, transports and households) and type of beneficiaries;
3. **Energy security**: which aims at, on the one hand, to become less dependent on imports by increasing renewable sources and energy efficiency and, on the other hand, to diversify sources of supply (for example through the use of natural gas, including LNG, with infrastructure consistent with the scenario of full decarbonisation by 2050);
4. **Internal market**: a greater degree of market integration is considered to be advantageous, and therefore the electricity interconnections and market coupling with other Member States will be enhanced; however, given Italy's geographical position, the interconnections with third countries will also be studied and developed, in order to facilitate efficient trade. Particular attention will be paid to the resilience and flexibility of the systems, in particular of transmission and distribution networks, through the use of preventive measures proportionate to the expected increase in extreme events and periods of heavy load, and management rules that enable the proper functioning of the systems to be quickly restored;
5. **Research and innovation**: based on the following criteria: (i) the finalization of resources and activities geared towards the development of processes, products and knowledge related to the use of renewables, energy efficiency and network technology; (ii) the synergistic integration between systems and technologies; and (iii) the milestones in the process towards full decarbonization.

Italian energy regulation: Authorities

The Ministry of the Ecological Transition ("**MITE**") and the Italian Regulatory Authority for Energy, Networks and Environment ("**ARERA**") share the responsibility for overall supervision and regulation of the Italian energy and environment sectors. In particular, the MITE establishes the strategic guidelines for the energy sector, while the ARERA regulates specific and technical matters in the areas of its competence through specific resolutions. The ARERA, *inter alia*:

- for the energy sector, establishes the tariffs for the use of infrastructures and guarantees equal access for operators;
- prepares and updates the tariff method for determining the fees for the integrated water service and the integrated waste service and approves the tariffs prepared by the competent authorities;
- defines the criteria for determining the users' fee for connection to the district heating network

and the procedures for exercising the right to "disconnection";

- encourages investments in infrastructure with particular emphasis on adequacy, efficiency and safety;
- removes obstacles that could prevent the access of new operators to the electricity and gas markets;
- encourages the rational use of energy, especially with regard to the dissemination of energy efficiency and the adoption of measures for sustainable development;
- updates the reference economic conditions, on a quarterly basis, for previously regulated energy customers (or “protected costumers”), which have not yet chosen a different supplier in the free market, until the complete opening of the markets and taking into account the regulatory framework’s evolution. Regarding protected customers, Article 1, paragraph 60, of Law 4 August 2017, No. 124, (the “**Competition Law**”), as modified by Law 28 February 2020, No. 8, and by Law 29 December 2021, No. 233, sets the full market liberalization starting from 1 January 2021 for small business, from 1 January 2023 for microbusiness and not later than 1 January 2024 for domestic customers, therefore starting from these dates customers will stop from being considered as “protected customers” and may choose their own company on the free market where prices are fixed by the competition. In order to drive the end customers from the regulated to the free market, some market tools, such as the “tutela simile” contract, have been established.
- establishes provisions on accounting separation and administrative unbundling for the electricity and gas sectors, the water sector and the district heating service, as well as on the compulsory functional separation (pursuant to EU Directives 2003/54/EC and 2003/55/EC) of the administration of electricity and gas infrastructure from non-related operations for the purpose of ensuring infrastructural administration that is both independent and transparent (so-called “unbundling”);
- establishes guidelines for the provision and distribution of services, as well as specific and general service standards and automatic refund mechanisms for users and consumers when standards are not met;
- defines the minimum quality levels for services in terms of the technical and contractual aspects and the service standards;
- ensures advertising and transparency of service conditions and increases levels of protection, awareness and information to consumers, protects their interests;
- monitors, supervises and controls the service quality, safety, access to networks, tariffs, incentives for renewable sources and has the powers to demand documentation and data, carry out inspections in collaboration with the Guardia di Finanza (Tax Police) and other bodies, including the Cassa per i Servizi Energetici e Ambientali (Fund for Energy and Environmental Services - CSEA) and the Gestore Servizi Energetici (Energy Services Manager - (GSE), obtain access to plants and to impose sanctions, and determines those cases in which operators should be required to provide refunds to users and consumers;
- makes observations and recommendations to the Government and Parliament regarding the market structure and the adoption and implementation of European Directives and licenses or authorisations;
- can impose sanctions to the companies operating in the energy sector and eventually accept and evaluate the undertakings of the energy sector companies, according to Legislative Decree

93/2011;

- handles out-of-court settlements and arbitrations of disputes between users or consumers and operators; and
- reports to the Italian Antitrust Authority (the "**AGCM**") any possible infringement of Law No. 287 of 10 October 1990 by companies operating in the electricity and gas sectors.

The AGCM also plays an active role in the energy market in ensuring competition between suppliers and suppressing unfair commercial practices and misleading and unlawful comparative advertising.

Electricity

On 1 April 1999, Legislative Decree No. 79 dated 16 March 1999 (the "**Bersani Decree**") implementing Directive 96/92/EC, started the transformation process of the electricity sector from a highly monopolistic industry to one in which energy prices charged by producers are determined by competitive bidding and provided for a gradual liberalisation of the electricity market so that all customers (defined "**Eligible Customers**"), are now able to freely contract with producers, wholesalers or distributors to purchase electricity. The Bersani Decree established a general regulatory framework for the Italian electricity market that gradually introduced competition with respect to electricity production and sales to Eligible Customers, while maintaining a monopolized structure with respect to electricity transmission and distribution.

In addition, Law Decree 239/2003 (converted into law by Law No. 290 of 27 October 2003) required the reunification of ownership and management of the national transmission grid. Law No. 239 of 23 August 2004 (the "**Marzano Law**") reorganised certain aspects of the electricity market regulatory framework, including the limitation of the "protected market" to households pursuant to Directive 2003/54/EC concerning common rules for the internal market in electricity and repealing Directive 96/92/EC.

The regulatory framework on the electricity sector has been updated by Law Decree No. 91/2014 transposed into Law No. 116/2014. In particular, the Decree has endorsed measures aiming at reducing energy costs for small and medium-size Italian companies as well as it has redefined incentives for renewable sources, based on a combination of the residual term for the incentive and its extent in time.

Legislative Decree No. 102/2014, implementing the Directive 2012/27/UE, has provided measures to improve energy efficiency and to achieve the primary energy saving national target for the period 2014-2020, by means of three main tools, which are the Energy Efficiency Certificate system, tax deductions and the Energy Efficiency Support Scheme (the so called *Conto Termico*).

Finally, with Resolution no. 446/2020/R/eel of 3 November 2020, ARERA defined the criteria for the settlement of the dispatching service in conditions of suspension of market activities and provided clarifications regarding the premium mechanism for generating plants referred to in Resolution 324/2020/R/eel.

Transmission and distribution

Electricity is "transmitted" (the transport of electricity on high and very high voltage interconnected networks from the plants where it was generated or, in the case of imported energy, from the points of acquisition, to distribution systems) and "distributed" (the transportation and conversion of electric energy, from the transmission grid, on distribution networks of medium and low-voltage for delivery to end-users).

Distribution companies in Italy are licensed by the state to provide distribution services to all clients who request them. These clients are subject to the payment of applicable tariffs.

The Bersani Decree promoted the consolidation of the Italian electricity distribution industry by providing for a single distribution licence within each municipality and establishing procedures to consolidate distribution activities under a single operator in municipalities where both Enel S.p.A. (the former monopolist) and a local distribution company were engaged in electricity distribution. The same Bersani Decree gave local distribution companies the right to request that Enel S.p.A. sell its distribution networks located in the municipalities where those companies already distributed electricity to at least 20% of the consumers.

In 2015, with Resolution 583/2015/R/com, it was established an overall reform of the "return on invested capital" (WACC).

Resolution 614/2021 approved the criteria for determining the WACC during the second regulatory period 2022-2027, with an update in 2025. The resolution also modified the risk free rate (in real term) and return of debt and introduced some new risk-off factors.

Regulated activities are remunerated through the network tariff component, which is set by ARERA at the same level for all operators on the national territory. At the end of 2019, with Resolutions 568/2019/R/eel and 566/2019/R/eel, ARERA updated the new tariff and quality regulation for transmission, distribution and metering services for the second regulatory sub-period 2020-2023. The tariff mechanism is substantially confirmed: capital expenditures, depreciation and operating costs for providing transmission, distribution and metering services are covered by tariffs set up by ARERA at the beginning of each regulatory period and updated on a yearly basis with an inflation and an efficiency parameter for operating costs and with actual balance sheet value for capital expenditures.

With reference to electricity metering service, with resolution no. 201/2021, IRETI proposed to ARERA a PMS2 in compliance with the Resolution 306/2019/R/eel which sets the rules for recognition of the costs of large-scale plans for the installation of 2G smart meters to be launched in the three years 2020-2022 by DSOs with more than 100,000 users.

ARERA approved the PMS2 proposed by Ireti starting from the second half of 2021 and confirmed the expected expenditure admitted to the recognition of capital costs which are in line with those envisaged by the Issuer.

In the last years, another important issue has been developed concerning the resilience of the electricity distribution grids, ruled by the Resolution 668/2018/R/eel (as amended). The Resolution introduced bonuses and penalties which apply to certain projects launched from 2017 and completed between 2019 and 2024. Such bonuses and penalties depend on the compliance of the projects with the relevant investment plans.

ARERA published the first consultation (DCO 615/2021) concerning the new criteria for recognising costs of energy infrastructures, based on the "total expenditure" approach, that would be applied by 2024 for electric distribution. Moreover, for the bigger DSOs, a "ROSS integrated" approach will probably require a business plan approval by ARERA. All the details will be defined following the consultation process.

Renewable Energy

Authorization procedure for plants powered by renewable sources

With regard to the authorization procedure for plants powered by renewable sources, on 3 March 2011, the Italian Government issued the Renewable Decree, namely Decree No. 28 of 3 March 2011 ("**Decree No. 28/2011**"), on the implementation of Directive No. 2009/28/EC on the promotion of the use of energy from renewable sources.

Moreover, Article 56, paragraph 1, letter d), of Law Decree No. 76 of 16 July 2020, as converted into Law No. 120 of 11 September 2020 ("**Law Decree No. 76/2020**"), recently introduced Article 6-*bis* under Decree No. 28/2011 in order to provide for a new very simplified procedure (the so called sworn declaration of commencement of works, *dichiarazione di inizio lavori asseverata*) to be applied to the cases listed in the same provision.

In addition, it must be considered that plants subject to regional EIA are now authorized by means of the so called Single Regional Authorization ("**PAUR**"), which, according to Article 27-*bis* of Legislative Decree No. 152 of 3 April 2006 ("**Environmental Code**"), includes the regional EIA and all the authorizations, concessions, opinions, *nihil obstat* necessary for the construction and the operation of the plant, including the single authorization (see, in this regard, also paragraph on "*Environmental regulations applicable to renewable energy plants*" below).

On 3 March 2021, the Italian Government issued Law Decree no. 77/2021 (the "**Simplification bis Decree Law**"), as converted into Law No. 100 of 29 July 2021, aimed at improving, among the others, the development of new renewable energy power plants in Italy. The main measures include the establishment of the new Environmental Impact Assessment ("**EIA**") Commission for PNIEC-PNRR projects (including photovoltaic and wind power), the introduction of the national EIA procedure for photovoltaic plants which capacity is higher than 10 MW, the extension of the simplified permitting procedure ("**PAS**") for ground photovoltaic plants in industrial lands up to 20 MW connected to medium tension (with exemption of the EIA for plants up to 10 MW).

In November 2021, Legislative Decree No. 199/2021 ("**RED II Decree**") was approved by the Italian Parliament. This new act implements EU Directive 2018/2001 concerning the promotion of the use of energy from renewable sources.

On 26 December 2021, Legislative Decree No. 210/2021, which implements Directive 2019/944 on the internal electricity market, entered into force. It provides several changes in the regulatory and legislative framework of the electricity market (wholesale and retail market, distribution). Specific interventions by the MITE, ARERA and Terna will follow the publication of the Decree.

On 1 March 2022, Law Decree No.17/2022 was adopted, containing urgent measures for the containment of electricity and natural gas costs, the development of renewable energies and the relaunch of industrial policies. In particular, Section II of the same contains "*Structural and simplification measures in the energy field*" and aims at simplifying certain aspects of the authorization procedures for renewable energy plants.

Hydroelectric production

Pursuant to articles 822 and 823 of the Italian Civil Code, sea, beaches, ports, rivers, lakes and the other forms of water are to be regarded as Italian state property ("*demanio pubblico*"). The Italian legislative framework on the use and exploitation of public waters has been set forth by Royal Decree No. 1775, dated 11 December 1933 (as subsequently amended and integrated, the "**Consolidated Act on Public Waters**" or "*Testo Unico delle Acque*"). Pursuant to Article 2 of the Consolidated Act on Public Waters, only operators that have obtained a regular public concession can exploit public waters.

The granting of concessions for large scale diversions of water for hydroelectric power plants (i.e. those with an average nominal power higher than 3 MW) is subject to a public tender procedure. The Bersani Decree transferred the competence of management of the public property waters from State level to each one of the Regions of Italy.

By way of Law Decree No. 83 of 22 June 2012, converted into Law No. 134/2012 (the "**Development Decree**"), the Italian government issued certain regulations which affect the way in which tenders are

carried out. More specifically, Article 37 of the Development Decree provided that five years prior to the expiration of a large water concession, the competent authority should launch a public tender for the assignment, subject to the payment of consideration, of such large water concession, in accordance with local regulations and the fundamental principles of competition protection, freedom of establishment, transparency and non-discrimination. Such new concession should be granted for a period of 20 years, up to a maximum of 30 years, depending on the required level of investment.

In addition, Law No. 12/2019 has redefined the regulatory framework on Concessions for major water transfers for hydroelectric purposes by amending the article 37 of Law Decree No. 83 of 22 June 2012. In particular, Law No. 12/2019 provides for the regionalisation of ownership of hydro-electric projects upon examination hydro-power concessions or in cases of withdrawal or revocation of the same.

With regard to the implementation of the regulatory framework outlined above, it should be noted that ARERA, with resolution no. 490/2019/I/EEL of 26 November 2019, approved the preparatory guidelines for the issue of a non-binding opinion on the regional legal schemes regarding state property fees, which must be issued within 20 days from the date of receipt of said scheme (in the event that ARERA's instructions have been complied with) and within 40 days in other cases. In this respect, ARERA specified that:

(i) the variable part of the state fee should be equal to a percentage, however defined by the Regions, of the sum of the products between the hourly quantity of electricity fed into the grid and the corresponding hourly zonal price recorded on the "Day Before Market" ("**MGP**");

(ii) with reference to the free transfer of energy, its monetization should be preferred instead of its physical supply, based on the hourly zonal price recognized to the plant, to be determined as final balance, as the average of the hourly zonal prices formed on the MGP, weighted on the quantity of energy fed into the grid on an hourly basis.

The Piedmont Region has regulated the assignment of concessions for large hydroelectric derivations with Regional Law No. 26/2020, however postponing their actual implementation to following council resolutions. The Piedmont Region also regulated the new concession fee (Regulation 5-6/2020). The other Regions (especially in northern Italy) are also working on the adoption of their disciplines (for example, Lombardy Region has adopted the Regional Law No. 5/2020, which however has been challenged by the government for constitutional illegitimacy).

Thermoelectric: conventional and combined heat and power plants

Regarding the authorization for the construction and operation of a thermoelectric plant, the relevant legal framework, at national level, is set forth by:

- Presidential Decree No. 53 dated 11 February 1998 "*Regulation concerning the procedures related to the authorization for the construction and operation of conventional power plants, according to Art. 20 paragraph 8 of Law No. 59 dated 15 March 1997"* (the "**D.P.R. No. 53/1998**"); and
- Law Decree No. 7 dated 7 February 2002, as converted into law by Law No. 55/2002, concerning "*Urgent measures to guarantee the safety of the national electricity system*", as subsequently amended and supplemented by, *inter alia*, Laws Nos. 239/2003 and 99/2009 ("**Law Decree No. 7/2002**").

According to the provisions of the D.P.R. No. 53/1998, the authorization for the construction and operation and the authorization for the emissions into the atmosphere is issued by the Minister of Industry, Commerce and Trade (now, MET) following a single proceeding in which all the interested public authorities participate in a steering committee ("*Conferenza di Servizi*"). Moreover, Legislative

Decree No. 112 dated 31 March 1998 (hereinafter the "**D. Lgs. No. 112/1998**"), reorganised the competences in the energy sector, transferring certain powers concerning granting of construction authorizations to Regions, Provinces and Municipalities. Law Decree No. 7/2002 further simplified the procedures concerning granting of authorizations for the construction and operation of power plants falling under the Ministry's competence (*i.e.* power capacity exceeding 300 MW).

Furthermore, Legislative Decree No. 20 of 8 February 2007, implementing Directive 2004/8/EC on the promotion of cogeneration based on a useful heat demand in the internal energy market and amending Directive 92/42/EEC:

- on the one hand, Article 8, paragraph 1, reaffirms the Ministerial competence for cogeneration plants with thermoelectric power exceeding 300 MW and the procedures established by Law Decree No. 7/2002;
- on the other hand, Article 8, paragraph 2, prescribes to the competent authorities a single proceeding also for the issuance of the authorization for the construction and operation of cogeneration plants with thermoelectric capacity below 300 MW. Such single proceeding is set out under Legislative Decree No. 115 of 30 May 2008 (implementing the Directive 2006/32/EC on energy end-use efficiency and energy services). In particular, Article 11, paragraph 7, of Legislative Decree No. 115 of 30 May 2008 details timing and methods for the convening of the steering committee and the issuance of the relevant single authorization.

Finally, Law No. 99 of 23 July 2009, as subsequently amended by Legislative Decree No. 56/2010: pursuant to Article 27, paragraph 20, micro-cogeneration units (*i.e.* having nominal power capacity below 50 kW) are only subject to a simple communication to the competent Municipality. Instead, the installation and operation of small cogeneration units with nominal electrical power up to 1 MW or nominal thermoelectric power below 3 MW are subject to a declaration of start of activities ("**DIA**") according to articles 22 and 23 of the D.P.R. No. 380/2001.

Moreover, since thermoelectric power plants involve significant air pollution and release of emissions in the atmosphere, such plants will need to be granted with a specific additional authorization pursuant to the Environmental Code. In particular, pursuant to Article 269 of the Environmental Code, all the plants and facilities that cause emissions in the atmosphere shall be authorized with a specific authorization to release emissions issued by the competent authority (the Region or the delegated Province), prescribing:

- the modalities for the conveyance of the emissions (if technically feasible);
- the emissions' limits, methods and timing of sampling and analysis and other specific prescriptions;
- specific prescriptions in order to limit fugitive emissions;
- the interval period between the entry into operation of the plant and its complete entry into operation ("*messa a regime*").

The authorization has a validity of 15 years from the date of granting and can be renewed upon request to be submitted to the competent authority at least one year before the expiry date.

New provisions which may also have an impact on this kind of plants have recently been introduced by means of Legislative Decree 30 July 2020, No. 102.

Thermoelectric co-generative power plants which satisfy certain efficiency standards, may be granted with public incentives pursuant to the "*CAR – (Cogenerazione ad alto rendimento)*" incentives. Please refer to sections "Efficiency in the end use of energy - White Certificates - CAR incentives" below.

Feed-in tariff

Ministerial Decree of 6 July 2012 provided for the replacement of the incentive mechanism of Green Certificates by a new form of incentive, *i.e.* the feed-in tariff mechanism. The feed-in tariff mechanism, instead of relying on the issuance of negotiable certificates, provides for a direct payment from the GSE S.p.A. (hereinafter, the "**GSE**") to the relevant plant operator. This payment is in addition to the revenues arising from the energy enhancement.

In June 2016, the MET issued Ministerial Decree No. 26 dated 23 June 2016 ("**D.M. 23 June 2016**"). Such Decree provides for the mechanisms to obtain the incentives tariff for electricity produced from renewable energy sources other than photovoltaic ones and includes, as already set out under former FER decree dated 6 July 2012 four different awarding procedures depending on:

- the type of works carried out (i.e. new facility construction or revamping);
- capacity of the relevant plant (with a distinction between small plants, enjoying a direct access to incentives; medium plants, subject to enrolment in a specific register and qualification under the eligibility list created therefrom; and big plants (i.e. those with capacity higher than 5 MW) that in order to be granted incentive tariffs must successfully participate in a Dutch auction procedure (allowances between 2% and 40% maximum);
- relevant facility available capacity quota (varying according to energy source, plant size and kind of works carried out).

On 23 January 2019, the European Commission was notified of the draft decree on incentives for renewable sources of electricity ("**RES 1**"), the last step necessary for the formal approval. After the approval of ARERA and despite the rejection by the Regions in the Unified Conference, the decree received the final approval of the European Commission.

On 4 July 2019, the new support scheme RES 1 Decree was adopted with Decree of the Ministry of Economic Development and published on the Official Gazette on 9 August 2019.

The RES 1 Decree provides two mechanisms to grant access to the support scheme. Renewable energy facilities with a power of less than 1 MW have access to incentives through registration, while those with a higher power have access to incentives through competitive tendering for the definition of the incentive level within the limits of power quotas.

Some of the terms defined by the RES 1 Decree, such as compliance with the deadline for entering into operation and the presentation of the definitive financial guarantees for those admitted to the first tender procedure, have been extended due to the Covid-19 pandemic emergency.

The RED II Directive has been transposed at the end of 2021 through Legislative Decree No. 199/2021. The Decree aims at designing a market of Power Purchase Agreements (PPE) and provides new auctions carried out by the "*Gestore dei Servizi Energetici*" for CFD products (Feed in premium).

Sale

Pursuant to Article 1, paragraph 2 of the Marzano Law, no governmental licence, consent or permit is required to carry out electricity sale and purchase activities. The sale activity can be split into wholesale and retail.

Pursuant to Law Decree No. 73 of 18 June 2007, retail end users have the right to withdraw from existing electricity supply contracts, in accordance with the procedures established by the ARERA, and to select a different electricity supplier. In the absence of such choice, the electricity supply for domestic end customers which are not supplied with electricity on the free market is guaranteed by

the distribution company, also through special sales companies, and the purchasing function continues to be carried out by the Acquirente Unico. This is the so-called "*regime di tutela*" which, as mentioned above, will end with the full market liberalization starting from 1 July 2021 for small business and from 1 January 2022 for microbusiness and domestic customers).

For end users which have already opted for free market conditions, the terms and conditions - including the price - of electricity supply contracts may be agreed between the supplier and the relevant end user.

For end users that have not opted for free market conditions, the regulated tariffs apply of "*maggior tutela*", as set out under the "*Testo integrato delle disposizioni dell'autorità per l'energia elettrica e il gas per l'erogazione dei servizi di vendita dell'energia elettrica di maggior tutela e di salvaguardia ai clienti finali ai sensi del decreto legge 18 giugno 2007, No. 73/07*" (as subsequently amended and integrated, the "**TIV**"). The TIV provides as follows:

(i) households and small businesses that have fewer than 50 employees, a turnover lower than Euro 10 million and low levels of electricity consumption may access the so-called "*servizio di maggior tutela*" regulated market, for which the electricity tariffs are set by the ARERA. Ultimately, the responsibility for the supply of electricity to such customers is on the Single Buyer. The regulated tariff is composed of different cost elements relating to the specific services provided (*i.e.* transport, distribution, marketing activities). Invoices to end users must show a breakdown of such costs;

(ii) end users not falling under paragraph (i) above only have access to the "safeguarded service" (so-called "*servizio di salvaguardia*"), under which electricity is provided at higher rates than the market rate in order to incentivise customers to access the free market; and

(iii) for customers falling under paragraphs (i) and (ii) above, the applicable rates and standard terms and conditions of supply are set out under ARERA resolutions (the most recent is ARERA Resolution No. 351/2020/R/eel dated 30 September 2020 which set out the revised tariffs for the "*servizio di maggior tutela*" for the period Oct-Dec 2020).

(iv) Pursuant to Law Decree of 23 December 2013, No. 145 ("***Destinazione Italia* Decree**"), as enacted into law through Law No. 9 dated 21 February 2014, on the basis of the hourly energy trends on the free market, the ARERA determined by means of Resolution No. 170/2014/R/EEL dated 10 April 2014, the parameters for the calculation of the prices for electricity supply to end users who do not buy electricity on the free market.

Law no. 124/2017 establishes the obligation for all sellers to offer to households and small businesses at least one "standard" proposal for a fixed price supply (in which the price of energy is kept fixed for a certain period of time) and at least one proposal at a variable price (in which the price automatically varies according to changes in a reference index). Pursuant to the amendments brought by Law Decree No. 162/2019 (the "**2019 Milleproroghe Decree**", converted into law No. 8 of 28 February 2020), the validity of the regulated price regimes has been further extended. The reformed regulations provide for the overcoming of price protections as of 1 January 2021 for small businesses (as defined in Article 2(7) of Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019) and from 1 January 2023 for micro-enterprises (as defined in Article 2(6) of the same Directive (EU) 2019/944) and for domestic customers.

The validity of regulated prices for household consumers can be kept until 1 January 2023. In this respect, a tender is expected to occure within 1 january 2024. Until the tender takes place, household consumers will be served under a transitional regulated price regime.

ARERA set the general criteria to establish the web portal for the publication of offers to households and small businesses in the electricity and natural gas markets (the "**Offer Portal**"). Moreover, The Offer Portal, created by the Integrated Information System Operator ("**SII**"), is online from 1 July 2018 for the collection and publication of offers on the market for retail electricity and natural gas. The Offer Portal is intended for household and small businesses to compare the cost of electricity or natural gas in relation to their needs. The offers currently available on the Offer Portal are (i) the PLACET offers and (ii) the offers from the free market with the exception, for the moment, of those dual fuels (however visible in simplified form) and a series of offers, which will be shortly published for technical reasons.

Furthermore, Electricity is traded in two main markets, which are the wholesale and the retail markets. The Power Exchange is a marketplace for the spot trading of electricity by producers and consumers under the management of the Gestore dei Mercati Energetici ("**GME**"); it began operations on 1 April 2004. Producers can sell their electricity on the Power Exchange at the system marginal price defined by hourly auctions. Otherwise they can choose to enter into bilateral contracts, whereby the price is agreed with the other counterparty. Recently the market was enhanced through the commencement of operations of new forward- markets: (i) the forward physical market, (the MTE£), which is managed by Electricity Market Operator; and (ii) the derivatives financial market, (the IDEX), which is managed by Borsa Italiana.

The Italian government transposed in 2021 the new market Directive 944/2019 through the Legislative Degree No. 210/2021. The Decree defines a more active role of final customers in the management of their consumption of electricity and defines new aggregators which can increase or moderate the electricity consumption.

Natural Gas

Italian regulations enacted in May 2000, by means of Legislative Decree No. 164/2000 (the "**Letta Decree**") - implementing EU directives on gas sector liberalisation (Directive 1998/30/EC) - introduced competition into the Italian natural gas market through the liberalisation of the import, export, transport, dispatching, and sale of gas.

According to Letta Decree the activities of import, export, transport and dispatching, distribution and sale of natural gas, in whatever form and however used, are free.

The liberalisation process was successively strengthened by Directive 2003/55/EC, which introduced, on the one hand, stricter unbundling obligations on companies operating in the gas transport, distribution and sale sectors and, on the other hand, incentives for new import infrastructure. The authorities responsible for turning this regulation into practice are the MED and the ARERA.

The Letta Decree also introduced the principle of accounting and corporate unbundling for natural gas companies.

On 15 December 2021, the European Commission released its Hydrogen and Gas Market Decarbonisation package (the "Gas package"), along with legislation on methane emissions. The Commission has adopted a set of legislative proposals to decarbonise the EU gas market by facilitating the uptake of renewable and low carbon gases, including hydrogen, and to ensure energy security for all citizens in Europe. The Commission's proposals (regulation and directive) create the conditions for a shift from fossil natural gas to renewable and low-carbon gases. One of the main aims is to establish a market for hydrogen, create the right environment for investment, and enable the development of dedicated infrastructure.

Dispatching and transportation

Pursuant to Article 8 of the Letta Decree, natural gas transport and dispatching are considered

activities of public interest and are regulated accordingly.

By means of Ministerial Decree of 22 December 2000 (as subsequently amended from time to time), the MET implemented Article 9 of the Letta Decree (concerning the definition of national transmission network of gas pipelines and regional transmission network) and identified the "national gas transmission network" (opposed to the local gas network – "*rete di distribuzione"*, as set out under ARERA Resolution No. 120 dated 30 May 2001). This Ministerial Decree contains a detailed list of the pipelines, their length, characteristics and owner, which is updated on a yearly basis. Approximately 96% of such pipelines are owned and operated by Snam Rete Gas ("**Network Operator**" or "**Transmission Company**"). Snam Rete Gas is the entity spun off from Snam to comply with the vertical unbundling requirement set by the Directive 98/30/EC ("**Gas Directive**").

By means of Ministerial Decree of 22 April 2008 and Ministerial Decree of 19 December 2011 the regional transport networks have been identified by the MET.

By means of ARERA resolution No. 75, dated 1 July 2003, as subsequently amended, ARERA issued the "SNAM Gas Grid Code" ("*Codice di rete SNAM*"), which provides for detailed rules and procedures concerning the dispatching and balancing services in order to ensure the efficiency of the gas transmission grid. Most important, the companies which provide transport and dispatching services may not refuse to connect to the gas distribution network users who are compliant with the ARERA rules. In particular, access may be refused for one of the three following reasons: (i) lack of capacity or interconnection, (ii) when granting access would prevent the undertaking from carrying out the public-service obligations assigned pursuant to the applicable law and regulations, and (iii) in case of serious economic and financial difficulties related to take-or-pay contracts entered into by the undertaking before the Letta Decree.

Storage

Storage activity has the purpose of compensating fluctuations in consumption demand within the national gas system, to guarantee a strategic reserve of natural gas for the safety of the entire systems (with specific but not sole reference to end users).

Storage activity is carried out by companies on the basis of concessions awarded through public tender procedures, based on the modalities set out in Ministerial Decree 21 January 2011.

Similarly to the transportation companies, also the storage companies must publish the terms and conditions to access the storage services that are set forth in *codes* and must comply with the criteria set out by the ARERA with the purpose of ensuring that the access to the storage services is granted in a transparent and non-discriminatory way.

The Letta Decree provides that storage companies must grant access to requesting users if these meet the technical requirements and other conditions detailed in the "Storage Code", which has been issued by ARERA Resolution No. 119 dated 21 June 2005 and related updates.

Distribution

Pursuant to the Letta Decree, distribution activity is considered as a public service and may be carried out only by companies which do not already provide other market services in the gas sector, as sale, dispatching or storage activities. The Letta Decree provides, *inter alia*, that concessions concerning the distribution service must be awarded by local authorities on the basis of public tenders for a maximum period of 12 years.

The gas distribution service has been opened to competition through gradual steps. In particular, starting from 1 January 2003, local public authorities (mainly municipalities) were obliged to convert into private companies the local public entities which were at the time the only concessionaires of the

distribution service.

In the context of this reform, Article 46-*bis* of Legislative Decree No. 159 of 1 October 2007, in order to further promote efficiency, cost-effectiveness and competition in the sector, has referred to subsequent ministerial decrees the implementation of regulation governing the awarding of distribution concessions, providing for

- the definition of uniform tender rules, subsequently issued by Ministerial Decree of 12 November 2011 ("**Tender Criteria Decree**"); and
- the introduction of minimum territorial areas for the carrying out of tenders for the award of gas distribution service ("**ATEM**"), according to minimum optimal areas to be identified on the basis of efficiency and cost reduction criteria.

Ministerial Decree dated 19 January 2011 set out the ATEM. The Italian territory has been divided into 177 ATEM, with the aim of increasing competition, efficiency and independence of concession holders from local authorities.

From the tariff point of view, by means of Resolution 570/2019/R/gas, ARERA approved the tariffs regulation for gas distribution and measurement systems for the 2020-2025 regulatory period ("**RTDG**"). In this respect, through resolution 128/2020, ARERA amended the definition of the different scope of gases (*Ambito gas diversi*) set forth in article 1, paragraph 1, of the RTDG and redefined a number of different gas options approved by Resolution No. 571/2019/R/gas. Furthermore, on 14 April 2020, ARERA, in the context of a material error correction warning, confirmed the application of a constant x-factor within the regulatory period.

For the next regulatory periods, ARERA published the first consultation (no. 615/2021/R/com) on the new criteria for costs coverage of energy infrastructures, based on the "total expenditure" approach. It would apply by 2026 for gas distribution.

By means of Resolution 614/2021/R/com, ARERA approved the remuneration rate (WACC) criteria for the second regulatory period. This second period lasts for six years and an update is planned to be carried out in 2025. In the event of cumulative effects on WACC higher than 50 bps, there will be an annual update. For gas distribution the current WACC is 5,6%.

Natural gas distribution companies (together with electricity distribution companies) are required under the Bersani Decree to implement energy efficiency measures for end users and deliver to the ARERA by May 31 of each year a certain number of TEE ("**White Certificates**"). Distribution companies may also buy TEEs from third parties (more details in paragraph "*Efficiency in the end use of energy - White Certificates - CAR incentives*").

The Ministry of Ecological Transition's Decree of 21 May 2021 on the "*Determination of the national quantitative objectives of energy saving that can be pursued by electricity and gas distribution companies for the years 2021- 2024 (so-called white certificates)*", established a reduction of the year 2020 obligations from a value of 7.09 MTEE to 2.84 MTEE (- 40%).

On the innovation side, an ARERA resolution is awaited regarding financing experimental projects on optimisation management and innovative uses of natural gas network, following the public consultation no. 250/2021/R/gas.

Sale

The Letta Decree distinguishes between wholesale activity and retail sale activity. Since 1 January 2002, only companies that are not engaged in any other activity in the natural gas sector, other than as importers, drillers or wholesalers, have been entitled to sell gas to retail customers.

Pursuant to Article 17 of the Letta Decree companies that intend to sell gas to end users must be enrolled in the "List of entities authorized to sell natural gas to end customers" held by the MED and been authorized by the same MET. Such authorisation is issued on the basis of criteria set by the MET (after a consultation with the ARERA) by means of Ministerial Decree 24 June 2002, provided that the company meets certain requirements (e.g. appropriate technical and financial capacity) and may only be refused on objective and non-discriminatory grounds.

Since 1 January 2003, retail customers have been able to choose between supplies of natural gas carried out on a free market basis or on a regulated basis. In the free market, the terms and conditions - including the price - of gas supply contracts are agreed between the supplier and the relevant end-customer. Conversely, regulated tariffs ("*servizio di maggior tutela*") are set out under the "*Testo integrato delle attività di vendita al dettaglio di gas naturale e gas diversi dal gas naturale e distribuiti a mezzo di reti urbane*" (the "**TIVG**"), as amended by ARERA Resolution No. 352/2020/R/gas. Pursuant to the TIVG, regulated tariffs apply to retail customers who do not opt for free market tariffs as well as to households where gas consumption does not exceed 200,000 Smc/year.

Since 2002 operators have been able to freely sell and purchase on a wholesale basis any quantity of natural gas on the "**PSV**" (*punto di scambio virtuale*), which is an electronic platform operated by Snam Rete Gas S.p.A. ("**Snam**"). Moreover, Law No. 99 of 23 July 2009 ("**Law 99/2009**") provided for the establishment of a market exchange platform for the supply and sale of natural gas. Under Law 99/2009, GME was designated as manager of the natural gas exchange market, in compliance with the principles of transparency, competition and non-discrimination. MET Decree of 18 March 2010 established a trading platform for the exchange of gas imports (P-Gas), managed by the Energy Market Operator. The gas exchange started in October 2010, with the Energy Market Operator acting as central counterparty ((A) the M-Gas platform, formed of: (i) day ahead market - MGP-Gas, and (ii) intraday market - MI-Gas, and (B) the forward gas market – MT Gas). The gas balancing market on the PB-Gas platform started in December 2011, which was managed by the Energy Market Operator, with Snam Rete Gas S.p.A. acting as central counterparty. On the gas balancing market, an *ex-post* gas exchange session takes place which is aimed at balancing the whole gas system and shipper positions (the part of the supply chain in which gas is produced or imported or bought from domestic producers or other shippers) through the purchase and sale of stored gas. On the balancing Gas platforms (MPL-locational products and MGS-storage products), which is accessible to all operators, operators may acquire, on the basis of economic merit, the necessary resources to balance their positions and ensure the constant balance of the network, for the purposes of ensuring system security. For balancing the System Snam can operate also in all MP platform (even in MGP gas, MI gas).

District heating and services

Until year 2014 district heating activities were not subject to specific regulation in Italy. District heating supply agreements were only subject to the general provisions of the Italian Civil Code.

Through the European Directive 2012/27/EU dated 25 October 2012 (hereinafter the "**Directive 2012/27/EU**"), the European Commission has introduced new provisions in order to contain and make more efficient the consumptions for heating, air conditioning and for the supply of hot domestic water ("**HDW**") in civil buildings. In Italy the Directive 2012/27/UE has been implemented by Legislative Decree No. 102, dated 4 July 2014 (hereinafter the "**Legislative Decree No. 102/2014**"), that entrusted the ARERA to implement the provisions of the Directive 2012/27/UE.

Articles 10, paragraphs 17 and 18 and various paragraphs of Article 9 of Legislative Decree No. 102/2014 gave to the ARERA specific functions in the matter of district heating and district air conditioning. The regulation powers of the ARERA are, *inter alia*, on the following topics:

- the counting, the quality and the safety of the district heating service of the energy metering systems; the price criteria (only for networks with obligation to connect);
- the modalities of the disconnection from the network;
- the modalities by which the energy distribution companies make available to the public the price for the energy supply and for the connection and disconnection to and from the district heating network;
- the conditions for the connection to the district heating network;
- the criteria and the modalities of the supply of the meters to the end users as well the modalities by which the end user can assign the supply of the service to another company; and
- the invoicing procedure and the right of the end users to access their relevant consumption information and data.

Moreover, pursuant to Law 481 dated 14 November 1995, ARERA is also entitled with inspection, sanction and control functions and, according to article 16 of Legislative Decree No. 102/2014, the ARERA is also entitled with other sanctioning functions.

Resolutions have been published on district heating connections, commercial quality, technical quality, measurement and transparency.

***Efficiency in the end use of energy* - White Certificates - CAR incentives**

The distribution companies of electricity and natural gas (the "**Obliged Entities**") are required by the Bersani Decree to undertake energy efficiency measures for the end user that are in line with pre-defined quantity targets fixed by ministerial decree. All companies, including the distribution companies, that realize specific energy efficiency measure pursuant to the applicable regulation, are entitled to receive from the GSE a certain quantity of the Energy Efficiency Certificates ("**TEE**"), also called "*White Certificates*", (*i.e.* an incentive mechanism to save energy, into force starting from 1 January 2005).

TEE are issued and acknowledged in proportion with the energy efficiency measures so realized (*i.e.* each TEE is issued for each "ton oil equivalent" of the energy efficiency measure implemented). The TEE can be then sold by means of bilateral contracts, to (other) distribution companies who cannot meet their targets or, alternatively, on a specific market instituted and regulated by GSE in agreement with the ARERA.

In order to comply with their obligations to achieve such targets and avoid related penalties, distributors must deliver a number of certificates at least equal to a specified percentage of their requirement to the ARERA by May 31 of each year.

The whole mechanism is, in extreme essence, financed by the final customers (through the cashing in of a specific tariff component applied in each electric and natural gas bills paid by the end customers). Indeed, the Obliged Entities receive a tariff contribution from the ARERA and related competent authorities to compensate the energy efficiency measure implemented by same Obliged Entities.

As said, White Certificates are tradable by bilateral transactions through a register, organized and managed by the GME (called "*Registro TEE*") or by assignment of the white certificates to an *ad hoc* virtual trading platform (called "*TEE Market*" or "*Mercato TEE*"), also in this case organized and managed by the GME.

On the 10 July 2018, a new Ministerial Decree has been published in Italian Official Journal (the "**Decree 10 May 2018**"), which has amended the previous Decree 11 January 2017 on White Certificates. In particular, the Decree:

- establishes a maximum unit value for the tariff contribution, equal to €250.00 per white certificates, applicable starting from the sessions subsequent to 1 June 2018 and until the sessions valid for the fulfilment of the national quantitative targets established for 2020;
- establishes that the mechanism to determine the tariff contribution, determined by ARERA, shall take into account the prices of trades made on the organized GME market in the obligation year in reference as well as the prices of bilateral agreements, if less than € 250.00;
- authorizes the short-selling of white certificates by the GSE. In particular, starting from 15 May of each year and until the end of the year of the obligation in reference, GSE is authorized to issue, for and upon request of the obliged distributors, white certificates not deriving from the implementation of energy efficiency projects, with a unit value equal to the difference between € 260.00 and the value of the final tariff contribution for the year in reference. In any case, this amount cannot exceed € 15.00. However, this loss may be recovered, overall or partly, in the following obligation years. Before accessing this mechanism, the obliged distributors must purchase at least 30.0% of white certificates in the obligation year in reference;
- establishes that if a distributor subject to the obligations achieves a compliance rate of less than 100%, but at least 60%, it may offset the residual quota in the two following years, rather than only in the following year without incurring any penalties;
- updates, in order to promote the offer of white certificates, the table annexed to Ministerial Decree of 11 January 2017 containing the types of projects eligible for white certificates, adding approximately 30 new types of interventions.

As a consequence of amendments introduced by Ministerial Decree of 10 May 2018 to Ministerial Decree of 11 January 2017, under Resolution 487/2018/R/efr, ARERA has updated the criteria for calculating the tariff contribution to cover the costs incurred by distributors subject to energy efficiency targets. In this respect, Resolution 487/2018/R/efr, together with the provisions of Decree 10 May 2018 that set a cap to the tariff contribution was annulled by the administrative tribunal of the Lombardy Region (T.A.R Lombardia) with judgment no. 2538/2019. In order to implement the judge's ruling, ARERA, with Resolution no. 529/2019/R/EFR of 10 December 2019, started a procedure aimed at reforming the tariff contribution regulations, which includes the document for consultation 47/2020/R/EFR of February 2020.

Resolution 270/2020/R/efr approved the revision of the tariff contribution to be paid to distributors who fulfil their savings obligations energy within the TEE mechanism, in consideration of the judgment of the Lombardy Regional Administrative Court no. 2538/2019 as follows:

- cap has been confirmed for the pre-existing recognized tariff contribution (250 € / TEE);

- an additional fee is provided in order to contribute to the recognition of the economic losses incurred by distributors, directly related the scarcity of TEEs available, defined as part of the difference between the average cost of the TEE and the cap - if positive, limiting it to a maximum value of 10 € / TEE;

- provision is made for the disbursement of an extraordinary deposit, valued together at € 250 / TEE and to the extent of 18% of each 2019 target (€ 250 / TEE on future obligations).

With resolution 358/2021/R/efr it is determined, pursuant to Resolution 270/2020, the tariff contribution to be recognized to distributors fulfilling their energy saving obligations under the TEE mechanism for the obligation year 2020. Also approved is the update to the “Implementation methods referred to in Article 14-bis, paragraphs 6 and 8, of the Interministerial Decree of January 11, 2017” prepared by the Energy Services Manager pursuant to the same decree.

With final resolution 547/2021/R/efr, as a result of consultation document 359/2021, the measure determines an exceptional tariff contribution to be paid to distributors who meet their energy saving obligations under the TEE mechanism for the obligation year 2020.

Regulations applicable to the supply of public services

The supply of local public services in Italy has been regulated through several provisions. Almost all such provisions have been repealed after a referendum held on 12 and 13 June 2011 (the "**Referendum**").

Following the Referendum results, a new regulation on the matter was adopted (Article 4 of Law Decree No. 138 of 13 August 2011, converted into Law No. 148 of 14 September 2011, as subsequently amended) which was, however, declared unconstitutional by the Constitutional Court, with judgment No. 199 of 17-20 July 2012.

As of today (following the Referendum, the re-introduction of provisions analogous to those repealed by the Referendum and the consequent repeal of such new provisions by the Constitutional Court) public services shall be awarded according to EU law principles. Therefore, local Authorities can arrange public services through: (i) third parties selected by public procurement procedures and (ii) by direct or *in- house* provision, whenever the market is unable to meet the needs of the community and making use of entities fully controlled by the local authority and exclusively engaged in the relevant activity.

More precisely, according to EU law, there are three accepted forms of public services awards:

- public tender for the selection of public service providers;
- direct granting of public services to a public private partnership (PPP), a cooperative venture between public authorities and private enterprises, where a private partner is chosen by a public tender procedure;
- the so called *in house providing mechanism*, which consists in a direct granting of public services to fully-public companies based on the following conditions: (i) the companies are 100% controlled by the awarding public entities, which shall exercise a similar control as the one exercised over their own departments (i.e. "*controllo analogo*"); and (ii) companies shall provide their main activity in favour of the awarding public entities (i.e. *attività prevalente*).

Competitors allowed to enter into such procurement procedures and entitled to become public services managers, are:

- "private operators", who may be selected to operate the service through a public tender procedure aimed at entrusting the whole public service; in this case, private operators take the form of joint-stock companies and are incorporated under Italian law;
- "private operators", who can also be in charge of the management of the service by purchasing shares in a public company and becoming a private partner of the latter. Even in this case, the alienation of the shares will take place through public tenders (whereas the service will be granted directly to the public/private enterprise set up once the private partner has been chosen through a public tender); in this regard, private operators in the procurement procedure must demonstrate their economic and financial standing, their suitability to pursue the professional activity in question and their technical and/or professional ability; actually, the percentage share of the company to be granted through public tender is established at discretion of the Public Administration;
- "public companies", wholly owned by public entities can be granted public services through the *in- house providing*. This procedure excludes private operators and competitors.

On 20 October 2012 Law Decree No. 179/2012 entered into force (the so-called "**Growth Decree 2**") which, however, does not apply to, *inter alia*, (i) gas distribution and (ii) distribution of electricity, but applies to water and waste services (for further details see paragraph *Water, Waste and Public Lighting Services* below).

In August 2015, the Law 124/2015 "Delegations to the Government concerning the reorganization of public administrations", better known as the so-called Madia Reform was approved. The provision contains 14 important legislative delegations: public employment, reorganization of central and peripheral state administration, digitalization of the Public Administration, simplification of administrative procedures, rationalization and control of investee companies, anti-corruption and transparency. One must note the implementing decree of 19 August 2016, n. 175 (*Testo Unico in materia di società a partecipazione pubblica*), that resulted from the changes made by the corrective decree 16 June 2017, n.100; in summarizing the numerous provisions in force on the subject up to now in a sole Act, it redesigns the discipline to reducing and rationalizing the public private partnership and the in-house providing, having also regard to an efficient management of the participations themselves and to the containment of public expenditure.

Water Business

The national and regional framework applicable to the IWS

The integrated water service ("**IWS**") is the comprehensive public services that relate to water collection, uptake, purification and distribution of water for each category of users as well as the disposal and treatment of sewage water. The IWS is a public service, which is to be managed in accordance with the general principles of efficiency and cost-effectiveness as well as in compliance with national and European legislation as well as the regulations set by ARERA.

The first comprehensive set of legal provisions enacted to regulate the water sector was contained in Law No. 36 of 5 January 1994 (the "**Galli Law**") which has then been reinstated by the Environmental Code (as defined below) under Part III, Section III, Title II, Article 147 and following. The main objectives of national and regional laws include: (i) the appointment of a single operator for the management of the IWS within each ATO (as defined below); (ii) the identification of a tariff that allows the operator of the IWS to cover both the costs for the provision of the service and the cost to carry out the investments necessary to ensure an adequate level of service; and (iii) the separation of the competence for planning and control of the service from the management of the IWS.

Pursuant to Law Decree No. 201 of 6 December 2011 (converted into Law by Law No. 214 of 22 December 2011) the ARERA is the regulator in charge, *inter alia,* of the regulation and surveillance of the IWS and the approval of the tariffs.

The Environmental Code

Legislative Decree No. 152 of 3 April 2006 (the "**Environmental Code**"), as amended from time to time, contains integrated provisions for all environmental businesses and, in principle, the regulation of the management of the integrated water service system in Italy, is based on the following principles:

- establishing a sole integrated system for the management of the entire cycle of the water resources (integrated water service or "*servizio idrico integrato*"), including the abstraction, transportation and distribution of water for non-industrial purposes, water drainage and purification of waste water;
- identification, by the Italian Regions and within each of them, of "Optimal Territorial Districts" ("***Ambiti Territoriali Ottimali***" or "**ATOs**"), within which the integrated water services are to be managed. The boundaries of ATOs are defined on the basis of: (i) consistency with

hydrological conditions and logistical considerations; (ii) the goal of achieving industry consolidation; and (iii) the potential for economics of scale and operational efficiencies; and

- institution of a Water District Agency (*Ente di governo dell'Ambito*, identified by the relevant Region) for each ATO, responsible for: (i) organising integrated water services, by means of an integrated water district plan which, *inter alia*, sets out an investments policy and management plan relating to the relevant district (*Piano d'Ambito*); (ii) identifying and overseeing an operator of integrated water services; (iii) determining the tariffs applicable to users; (iv) monitoring and supervising the service and the activities carried out by the selected operator, in order to ensure the correct application of the tariffs and the achievement of the objectives and quality levels set out in the district plan.

The organisation of the integrated water services relies on a clear distinction in the division of tasks among the various authorities involved. The State and regional authorities carry out general planning activities. Local authorities supervise, organise and control the integrated water services but these activities are managed and operated on a day-to-day basis by (public or private) service operators.

Pursuant to Article 149 *bis* of the Environmental Code, as modified by Law No. 164/2014, the integrated water system has to be awarded by the Water District Agency, for each ATO, by means of one of the procedures allowed under EU law (i.e. public bidding procedure, direct procurement to public-private companies and in-house providing). Law No. 164/2014 confirmed that the duration of concessions may not exceed 30 years. On the subsequent expiry of the term of the management of the water service, the Water District Authority must grant the service at least six months before the expiry of the previous service.

In this regard, please refer to the procedures described in the previous paragraph with reference to the economic local public services ("*servizi pubblici di rilevanza economica*") in general.

Water tariff mechanism

Law Decree No. 201 of 6 December 2011 (converted into Law No. 214 of 22 December 2011) granted to the ARERA the regulatory functions concerning the integrated water service. In particular, the ARERA sets forth the cost components to be used by ATO's Agency to determine the tariffs for the integrated water service (in compliance with the criteria and goals defined by the Ministry of the Environment and the principles outlined in Article 154 of the Environmental Code). Subsequently, ARERA approves the tariffs of the integrated water service within 90 days from the proposal.

Tariff method for the period 2020 – 2023

On 27 December 2019, the new tariff method for the period from 2020 to 2023 was issued by means of resolution No. 580/2019/R/idr (the "**2020-2023 Tariff Method**" or "**MTI-3"**) and with Resolution 639/2021/R/idr the rules and procedures for biennial intra period update for the years 2022 and 2023 were defined. The 2020-2023 Tariff Method defines the following service cost components:

a. costs of fixed assets, understood as the sum of financial charges, tax charges and depreciation;

b. operating costs, understood as the sum of i) endogenous operating costs, ii) costs that can be updated (relating to electricity, sludge disposal, wholesale supplies, charges relating to loans and fees paid to local authorities arrears costs and other cost components) and iii) operating costs relating to specific purposes, as well as costs related to COVID-19 emergency can be covered in tariff (by means of resolution No. 235/2020/R/idr);

c. any advance for the financing of new investments (under strict requirements);

d. environmental and resource costs, understood as the economic recovery from the reduction and/or alteration of the functionality of aquatic ecosystems, or the lack of opportunities (current and future) resulting from a given use of a scarce resource;

e. adjustments, necessary for the recovery of costs approved and relating to previous years.

The guiding principles of the MTI-3 for the period 2020-2023 are:

(i) overcoming the so-called *Water Service Divide*;

(ii) increasing the efficiency of operating costs and management;

(iii) environmental sustainability;

(iv) increasing citizens' awareness of their habits and their impact on the environment.

The MTI-3 applies to all water service operators in Italy (whether they are listed companies or operators working on behalf of local municipalities).

Waste Business

European Union directives

EU legislation on waste and landfills is set forth under Directive 2008/98/EC, as subsequently amended (the ‘‘**Waste Framework Directive**’’) and Directive 1999/31/EC, as subsequently amended (the ‘‘**Landfills Directive**’’) respectively.

The Waste Framework Directive

The Waste Framework Directive abrogated the previous Directive 2006/12/EC on waste and Directives 75/439/EEC and 91/689/EEC regarding waste oils and hazardous waste, respectively. The revised Waste Framework Directive, in force as of 12 December 2010, introduced new provisions in order to boost waste prevention and recycling and clarifies key concepts, namely the definitions of waste, recovery and disposal and sets forth the appropriate procedures applicable to by-products and waste.

In general, the Waste Framework Directive sets objectives with deadlines regarding the minimum proportion of waste to be prepared for re-use and recycling. These guidelines for waste management are meant to prevent waste generation, to encourage re-use and to ensure safe disposal by establishing a new “waste hierarchy” for the treatment of waste. In addition, the authorization process for landfill site management purposes stringent technical requirements for waste disposed in landfills, aimed to reduce waste amounts disposed of in landfills.

In addition, it is important to highlight that a new package of European Directives (Nos. 2018/849, 2018/850, 2018/851 and 2018/852, together the “**Package**”) regarding waste management and disposal came into force on 4 July 2018 which were implemented in in Italy in September 2020 through the following Legislative Decrees:

- Legislative Decree No. 118/2020 for Waste Batteries and Accumulators and Waste Electrical and Electronic Equipment;
- Legislative Decree No. 116/2020 for Packaging and Packaging Waste;
- Legislative Decree No. 119/2020 for End of Life Vehicles;
- Legislative Decree No. 121/2020 for Waste Landfills.

The Package sets ambitious targets for waste reduction and recovery, as well as to discourage landfill disposal. Key elements of the revised waste proposal include: (i) a common EU target for recycling

65% of municipal waste by 2030; (ii) a common EU target for recycling 75% of packaging waste by 2030; (iii) a binding landfill target to reduce landfill to maximum of 10% of municipal waste by 2030; (iv) a ban on landfilling of separately collected waste; (v) promotion of economic instruments to discourage landfilling and fully implement the "waste hierarchy pyramid"; (vi) harmonized definition and calculation methods for recycling rates throughout the EU; (vii) measures to promote eco-design/re-use and boost recovery and recycling schemes (namely, for packaging, batteries, electric and electronic equipment, vehicles). On the implementation of the directives, please see paragraphs below concerning the new European approach to waste.

The Environmental Code

In Italy, the waste sector is regulated by Article 200 of the Environmental Code which initially provided for the following principles:

- encouraging of segregated waste collection;
- each region has been divided into one or more "Optimal Territorial Districts" ("***Ambiti Territoriali Ottimali***" or "**ATOs**" and each an "**ATO**"), and a Waste District Authority ("***Autorità d'Ambito***") has been established for each area, which is responsible for organising, awarding and supervising integrated waste management services;
- the District Authority must draft a Waste District Plan, in accordance with the criteria set out by the relevant regional government;
- the municipalities' responsibilities relating to integrated waste management have been transferred to the District Authority;
- phasing-out of landfills as a disposal system for waste materials; and
- the order of priority of the waste management procedures is the following: (i) preparation for reuse; (ii) recycling; (iii) recovery, including energy production; and (iv) disposal.

The system (which includes the collection, transportation, treatment and disposal of waste, including street cleaning and the control of the former activities), was managed by the Autorità d'Ambito and entrusted to the entity that is awarded the tender called for by the competent ATO. That provision has been repealed from the Environmental Code by art. 186 bis of Law No. 191/2009. Their competences have been transferred to the Regions pursuant to Law Decree No. 138 of 18 August 2011.

Pursuant to Article 238 of the Environmental Code, whoever holds, at any title, premises where urban waste is generated, must pay a forfeit fee as a consideration for the service, in the amount determined by the competent Municipality on the basis on the average quantity of waste produced by each square meter of surfaces of the same type and use. According to Legislative Decree No. 116/2020, non-domestic operators who produce urban waste and manage them in compliance with applicable law without recurring to the public service are excluded from the part of the tariff parametered to the amount of conferred waste. The choice not to recur to the public service must be made for a period not lower than 5 years, save for the obligation of the public operator to resume service if requested to do so.

Integrated Waste Management means the total activities carried out to optimise the management of waste, these being the transportation, treatment and disposal of waste, including street sweeping and the management of these operations.

In this respect, Emilia Romagna Region established a single district for the whole regional territory and assigned the role of District Authority to ATERSIR, by means of Law No. 23 of 23 December 2011. All the municipalities and provinces in the Region are members. ATERSIR became operational in 2012 and it is empowered with administrative, auditing and technical autonomy.

Principles of waste management

The Environmental Code requires the producers or holders of waste to carry out the treatment of waste themselves or to have the treatment handled by an authorized dealer or arranged by a public collector under a special convention. The original producer or holder retains responsibility when the waste is transferred for complete recovery even if the waste is transferred from it to another entity for preliminary treatment. Responsibility ends upon receipt by the waste producer or holder of confirmation that the waste is accepted by the final recovery or disposal plant.

As from March 2014, a Waste Tracking Control System (*Sistema di Controllo della Tracciabilità dei Rifiuti*, or "**SISTRI**") started to be implemented, replacing (for certain categories of waste producers, for the holders and for treatment plants) the former system based on entries in the waste log and on annual consolidated environmental reports to be filed with the chamber of commerce. Such system provided for data on waste produced, handled or received for treatment to be entered into a nation-wide database, run by the Ministry of the Environment. However, Law Decree No. 135/2018 has repealed SISTRI starting from January 2019. In this picture, it is, in any case worth mentioning that, although SISTRI has been abolished, the relevant administrative sanctions provided for the violation of the obligations connected to the SISTRI are still applicable. In fact, administrative violations are time-barred in five years.

A new system (*Registro Elettronico Nazionale per la Tracciabilità dei Rifiuti*), established by means of abovementioned Law Decree No. 135/2020 and further recalled by Legislative Decree No. 116/2020, is currently being implemented in substitution of the SISTRI.

Also, with respect to waste management, from August 2011, according to the rules set forth by Legislative Decree No. 121/2011, some crimes concerning waste disposal were introduced within Legislative Decree No. 231 of 8 June 2001 ("**Decree 231**").

Permits

Article 208 of the Environmental Code provides that the realization and operation of new waste disposal or recovery installations as well as their substantial modifications are subject to a permit issued by the competent Region, after verification of the environmental and territorial compatibility of the project. The authorization is issued or denied (with motivation) within 150 days of the application. The permit has a ten-year duration and may be renewed upon filing of the relevant application at least 180 days prior to the expiration.

Less stringent requirements apply, among other things, to mobile recovery or disposal installations, to the collection and transportation of waste as well as to the operation of disposal and recovery installations owned by third parties, which are either issued a definitive permit or are allowed to be carried out after registration with the National Register for Environmental Operators (*Albo Nazionale dei Gestori Ambientali)*.

On the other hand, installation which are subject to an IPPC permit pursuant to Article 6, paragraph 13, and Articles 29-*bis* and following of the Environmental Code (i.e., landfills that receive more than one tonne of waste per day or with a total capacity exceeding 2500 tonnes, with an exception for landfill for inert waste) need not be issued a permit under Article 208 of the Environmental Code., as the IPPC permit supersedes all the relevant authorizations. The IPPC is issued in the framework of a procedure that requires, inter alia, the participation and consultation of the public, the application of Best Available Techniques ("**BAT**") to the installations emissions (including substances, vibrations, heat and noise) and specific monitoring requirements for the latter. The IPPC is generally issued for a ten-year period.

Management of urban waste

Article 200 of the Environmental Code provides for the organization of the urban waste management system at a local level based on identification, by the Italian Regions and within each of them, of "Optimal Territorial Districts" ("***Ambiti Territoriali Ottimali***" or "**ATOs**" and each an "**ATO**"), within which the waste services are to be managed.

Provisions on landfills

In relation to the disposal of waste in landfills, the Environmental Code refers to the provisions set out in Legislative Decree No. 36 of 13 January 2003, which were adopted to implement Directive 1999/31/CE (Decree 36/2003), which sets out the operating and technical requisites for waste and landfills, measurements, procedures and guidelines aimed at preventing or reducing possible negative effects on the environment. Decree No. 36, which was recently modified by Legislative Decree No. 121/2020, classifies landfills into the following categories: (i) landfills for inert materials; (ii) landfills for non-hazardous waste; and (iii) landfills for hazardous waste. Urban waste and non-hazardous waste of any other origin that meet the waste admission criteria set forth in the applicable regulations, may be disposed of in landfills for non-hazardous waste. As for landfills for hazardous waste, only hazardous waste meeting the criteria imposed by applicable regulations may be disposed of in the same.

In general, waste may be disposed of in landfills only after having been processed in treatment facilities, with the exception of inert waste whose treatment is not technically possible and waste with respect to which treatment does not contribute toward reducing its quantity or risk to human health and the environment, and is deemed to be disposable if necessary for purposes of compliance with the limits imposed under applicable provisions of law.

Decree 36/2003 requires all entities managing landfills to comply with the terms, procedures, criteria and requirements imposed by the authorization and by the operating management's plans, post-closure management plans and plans for environmental restoration and decontamination. They also must comply with regulations on waste management, wastewater and the protection of water, atmospheric emissions, noise emissions, health and safety in the workplace, and fire prevention. The managing entity must also ensure that ordinary and extraordinary maintenance is carried out in all the facilities and equipment pertaining to the landfill.

Pursuant to Article 12 of Decree 36/2003, closure of a landfill may be ordered following a procedure brought:

- under the terms and conditions of the authorization;
- where the service provider requests and obtains an authorization from the regional authority; and
- pursuant to a specific order by the competent authority based upon just cause consisting of damages or potential damages to the environment and human health. The landfill closure procedure may be implemented only following morphological verifications of the landfill.

A landfill, or a part of it, is considered to be definitively closed only upon the notification of approval (after carrying out an inspection) by the competent authority.

Following the final closure of a landfill, the landfill manager must maintain, supervise and control of the landfill during the post-closure phase, which covers the entire period in which the landfill could cause risks to the environment.

Maintenance, supervision and control of the landfill must continue during the post-closure phase, until such time as the competent authorities determines that the landfill no longer generates risks for the environment.

In order to ensure the activation and operating management of the landfill, including the closure procedures, the landfill operator must provide an appropriate financial guarantee which ensures the fulfilment of the requirements set forth in the authorization. The guarantee must be in an amount sufficient to cover the authorized capacity of the landfill and its classification. The guarantee for post-closure management operations provides an assurance that the post-closure procedures will be carried out, and is in an amount sufficient to cover the cost of such operations.

This guarantee must be kept in place for the entire period necessary for the operating activities and post-closure activities, and subject to extensions ordered by the competent authority if deemed necessary due to possible environmental risks.

In particular: (i) the guarantee for the activation and operating management is to be maintained for at least two years from the date on which the landfill closure is notified; (ii) the guarantee for post-closure activities is to be maintained for at least 30 years from the date on which the landfill closure is notified.

The management of landfills, or of other waste disposal equipment, is related to the matter of environmental pollution and the clean-up and restoration of contaminated sites. These matters are governed by Articles 239 and following of the Environment Code, which imposes upon the party responsible for the contamination the obligation to take restoration or safety measures, which may be for operating purposes or permanently, and, where necessary, to adopt further environmental restoration measures in order to eliminate, minimize, or reduce to acceptable levels the risks deriving from the contamination of the site.

Integrated waste operator

The Environmental Code regulated the award of tenders for operating the integrated waste management service made in favour of a sole operator for each ATO to be organised by the District Authority.

Such entity is responsible, *inter alia*, to award the management of the waste services in compliance with the European principles on public tender procedures, following the repeal of Article 23-*bis* of Decree No. 112/2008 by means of the Referendum held on 12 and 13 June 2011 and in compliance with the legislation subsequently adopted.

Waste tariff mechanism

Article 238 of the Environmental Code provides that, in general, whoever owns or holds premises which produce urban wastes is obliged to pay a tariff for the collection, recovery and disposal of such wastes. In this regard, the Environmental Code assigned to each "*Ente di Governo"* the task of determining the tariff to be paid to the service operators: such tariff shall be commensurate with the ordinary average quantity and quality of waste produced by square meter in relation to the use and types of activities carried out, on the basis of general parameters determined by an *ad hoc* regulation of the Ministry of the Environment.

In this frame, without going into detail with regard to the previous measures enacted by the Legislator, it is in any case worth reminding that Article 14 of Law Decree 201/2011, converted into Law No. 214 of 22 December 2011 established a tax (so called TARES or waste services tax) in all municipalities, effective as of 1 January 2013, to cover the costs of urban and similar waste disposal services and the costs relating to the municipalities' indivisible services (such as public lighting, local police, etc). Consequently, as of 1 January 2013, all withdrawals relating to the management of urban waste

previously applicable (so called TIA1, TIA2 and TARSU) were eliminated. The tax is due from anyone who owns or occupies in any capacity an enclosed or open space which may entail waste production. Consequently, the tax must be proportionate to the average quantities and qualities of waste produced in a surface unit.

Pursuant to Presidential Decree No. 158 of 27 April 1999, TARES consists of:

- a portion calculated in relation to the essential components of the service costs, which mainly involve investments for works and related depreciation; and
- a portion dependent on the quantity of waste handled, the service provided and the extent of operating expense, so as to ensure total coverage of the investment and operating costs[9].

In addition, the tax is increased by €0.30 for each square metre in order to cover the costs incurred by municipalities for the indivisible services[10].

Besides, the Municipalities which have realised system to measure the quantity of waste conferred to the waste management service may provide for the application of a tariff instead of the above mentioned tax. The tax must be paid to the Municipality.

However, the Municipalities may assign, up until 31 December 2013, the management of the tax (or of the tariff, if applicable) to entities that, as at 31 December 2012, perform, including separately, the waste management service and assessment and collection of TARSU, TIA 1 or TIA 2.

Regulation - ARERA Waste Services Activities

On 31 October 2019, ARERA approved Resolution 443/19/R/rif containing the first tariff method for the integrated waste management service 2018-2021 (MTR) and postponing the regulations on waste treatment to a later stage.

With reference to the MTR - Waste Tariff Method, it is specified that the new rules defined the TARI fees to be applied to users in 2020-2021, the criteria for the costs recognized in the current two-year period 2018-2019 and the communication obligations.

As in other sectors subject to regulation, in the new waste tariff method, the reference is made to data ex post and referable to certain accounting sources (financial statements) relating to year a-2 and applied to year a (inserting indications of adjustments that permeate the whole algebraic structure of the method) and no longer with forecast data.

The aim of the MTR is (similarly to the previous regulatory schemes implemented by ARERA in other sectors) to cover operating costs, cost of capital and depreciation/amortization, with a Regulatory Asset Base (RAB) remuneration.

In this first phase of the tariff method, ARERA maintained the algebraic structure of the method established by DPR 158/1999, by inserting tariff factors corresponding to additional components for the determination of the fees, some of which are as follows:

- In order to promote waste management investments, ARERA sets a WACC equal to 6.3%, +1% for the regulatory time lag (i.e. 2 years for the cost recovery).
- A price cap mechanism controls the tariff's growth, ensuring flexibility in order to consider additional services and quality improvement.

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[9] Article 10 of Law Decree No. 35/2013 sets out specific regulations of the amount, method and deadlines for payment of TARES for the year 2013 only.

[10] Municipalities may also increase the tax by up to € 0.40 for each square metre, depending on the type of property and the area where it is located.

- The MTR introduces a sharing mechanism in favour of the service provider, applied on revenues from the sale of separate collection materials and other market activities based on concession's asset.
- Efficiency incentives are included in the sharing factor and the gradual implementation instruments, which are set by the local Authority.

On 3 August 2021, ARERA approved Resolution 363/2021/R/rif concerning the waste tariff method (MTR-2) for the second regulatory period 2022-2025 which included the regulations on waste treatment.

ARERA, in parallel with the regulation on the tariff, implemented the regulation of the quality of the waste management service, first with Resolution 444/2019/R/rif, which defines the transparency provisions of the municipal and similar waste management service for the regulatory period 1 April 2020 - 31 December 2023, as part of the procedure started with Resolution 226/2018/R/RIF. The scope of the intervention includes the minimum information elements to be made available through websites, the minimum information elements to be included in the collection documents (payment notice or invoice) and individual communications to users relating to significant changes in management.

Following the consultation documents, on 18 January 2022 ARERA approved Resolution 15/2022/R/Rif containing the first quality regulation measures (TQRIF). The start-up is expected from January 2023 and, in the first application, the regulation model introduces:

- obligations of contractual and (in part) technical quality;
- general standards differentiated according to the qualitative level of management;
- a postponement of the obligations to publish to 2024;
- an upgrade of transparency provisions on the minimum information elements to be made available through websites and payment notice.

On 22 February 2022, ARERA approved Resolution 68/2022/R/Rif setting the rate of return on invested capital (WACC) for the integrated cycle and for the waste treatment for the second regulatory period, at a rate respectively of 5,6% and 6,0%.

TAXATION

The statements herein regarding Italian taxation summarise the principal Italian tax consequences of the purchase, the ownership, the redemption and the disposal of the Notes.

This is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to a Noteholder if such Noteholder is subject to special circumstances or if such Noteholder is subject to special treatment under applicable law.

This summary also assumes that the Issuer is resident in the Republic of Italy for tax purposes, is structured and conducts its business in the manner outlined in this Base Prospectus. Changes in the Issuer's organisational structure, tax residence or the manner in which it conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Notes is at arm's length. Where in this summary English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.

The statements herein regarding taxation are based on the laws in force in the Republic of Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

Tax Treatment of Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended ("**Decree 239**") provides for the applicable regime with respect to, *inter alia*, the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) ("**Interest"**) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Italian Presidential Decree No. 917 of 22 December 1986 ("**Decree 917**") issued, *inter alia*, by Italian resident companies with shares listed on a EU regulated market or a regulated market of the European Economic Area.

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.

Pursuant to Article 11, paragraph 2 of Decree 239, where the Issuer issues a new tranche of Notes forming part of a single series with a previous tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva* (please see specific reference below), the issue price of the new tranche will be deemed to be the same as the issue price of the original tranche. This rule applies where (a) the new tranche is issued within 12 months from the issue date of the previous tranche and (b) the difference between the issue price of the new tranche and that original tranche does not exceed 1 per cent. of the nominal value of the Notes multiplied by the number of years of duration of the Notes.

Italian resident Noteholders

Where an Italian resident Noteholder who is the beneficial owner of the Notes is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; (b) a non-commercial partnership; (c) a public or private entity (other than a company) or a trust not carrying out a commercial activity; or (d) an investor exempt from Italian corporate income taxation, Interest relating to the Notes, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent (unless the relevant Noteholder has opted for the application of the *risparmio gestito* regime provided for by Article 7 of Italian Legislative Decree No. 461 of 21 November 1997 ("**Decree 461**")). In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

An Italian resident individual Noteholder not engaged in an entrepreneurial activity who has opted for the so-called *risparmio gestito* regime is subject to a 26 per cent. annual substitute tax on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The substitute tax is applied on behalf of the taxpayer by the managing authorised intermediary. For more information, see also "Tax treatment of the Notes – Capital Gains".

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Where an Italian resident Noteholder who is the beneficial owner of the Notes is an individual entrepreneur holding Notes in connection with the entrepreneurial activity (please see specific reference below), a company or similar commercial entity, a commercial partnership, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are timely deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to the general Italian corporate tax regime (corporate income tax, "**IRES**", generally levied at the rate of 24% while banks and other financial institutions will be subject to an additional corporation tax levied at the rate of 3.5%), or to personal income taxation (as business income), as the case may be, according to the ordinary rates and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on the value of production ("**IRAP**"), generally applying at the rate of 3.9 per cent. (which may be increased by each Italian Region by up to 0.92 per cent.; IRAP rate is increased to 4.65 per cent. and 5.90 per cent. for the categories of companies indicated, respectively, under Article 6 and Article 7 of Legislative Decree No. 446 of 15 December 1997).

In case the Notes are held by an individual engaged in an entrepreneurial activity and are effectively connected with the same entrepreneurial activity, Interest will be subject to *imposta sostitutiva* and will be included in the relevant income tax return. As a consequence, Interest will be subject to the ordinary income tax and *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 ("**Decree 351**"), as clarified by the Italian Revenues Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24

February 1998 ("**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 ("**Decree 44**") apply), are neither subject to *imposta sostitutiva* – provided that the relevant Notes are timely deposited with an authorised intermediary – nor to any other income tax in the hands of a real estate investment fund or of SICAF. If the Noteholder is resident in Italy and is an open-ended or closed-ended investment fund or a SICAV (an investment company with variable capital) or a non-real estate SICAF established in Italy and either (i) the fund or SICAV or non-real estate SICAF or (ii) their manager is subject to the supervision of a regulatory authority ("**Fund**"), and the relevant Notes are timely deposited with an authorised intermediary, according to Circular No. 11/E of 28 March 2012, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a substitute tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005 – "**Decree 252**") and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an ad hoc 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, *Società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *Società di gestione del risparmio* ("**SGRs**"), stockbrokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**").

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or a transfer of Notes to another deposit or account, held by the same or another Intermediary.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying Interest to a Noteholder. If Interest on the Notes are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (a) to (d) will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 26%. The Italian individual investor may elect instead to pay ordinary personal income tax ("**IRPEF**") at the applicable progressive rates in respect of the payments; if so, the investor should generally benefit from a tax credit for withholding taxes applied outside of Italy, if any.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the Noteholder is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is resident in a

country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence. The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to Interest, accrued during the holding period when the Noteholders are resident, for fiscal purposes, in countries which do not allow for a satisfactory exchange of information with Italy and/or do not timely comply with the requirements set forth in Decree 239 and the relevant application rules (please see below) in order to benefit from the exemption of the *imposta sostitutiva.*

The countries which allow for a satisfactory exchange of information for the purposes of Decree 239 are currently listed in the Ministerial Decree dated 4 September 1996 (the "**White List Decree**"), as amended or supplemented from time to time. Pursuant to Article 11, para. 4, let. c) of Decree 239, the Ministry of Finance should update the White List Decree on a semi-annual basis. The White List Decree was updated by Ministerial Decree dated 23 March 2017, broadening the list of countries and territories that allow an adequate exchange of information with the Italian Tax Authorities.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of Interest or must qualify as "institutional investors" and (a) promptly deposit, directly or indirectly, the Notes with (i) a resident bank or SIM, or a permanent establishment in Italy of a non-Italian resident bank; (ii) a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance; (iii) a non-resident entity or company which has an account with a centralised clearance and settlement system (such as Euroclear or Clearstream, Luxembourg) which has a direct relationship with the Italian Ministry of Economy and Finance; or (iv) a centralised managing company of financial instruments, authorised in accordance with Article 80 of the Consolidated Financial Act; (b) promptly file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended; and (c) the banks or brokers mentioned above receive all necessary information to identify the non-resident beneficial owner of the deposited debt securities, and all necessary information in order to determine the amount of Interest that such beneficial owner is entitled to receive. Failure of a non-Italian resident Noteholder to comply promptly with the mentioned procedures set forth in Decree 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest, payments to a non-resident Noteholder. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

The "*imposta sostitutiva*" will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to Interest paid to Noteholders who are (i) resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy or (ii) otherwise not eligible for the exemption from "*imposta sostitutiva*".

Capital Gains Tax

Italian resident Noteholders

Any gain obtained from the sale or redemption of the Notes would be treated as part of the IRES taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes

are connected), a commercial partnership, or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Under some conditions and limitations, Noteholders may set off losses with gains of the same nature.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (*risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) and (b) an express election for the *risparmio amministrato* regime being promptly made in writing by the relevant Noteholder.

The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called *risparmio gestito* regime will be included in the computation of the annual increase in value of the managed assets accrued, even if

not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder which is an Italian real estate investment fund to which the provisions of Decree 351 as subsequently amended apply or a real estate SICAF (to which the provision of Article 9 of Decree No. 44 apply) will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or real estate SICAFs.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed at the Fund level, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Substitute Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by Article 17 of Decree 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Non-Italian resident Noteholders

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the Noteholder who is the beneficial owner of the Notes: (a) is resident in a country which allows for a satisfactory exchange of information with Italy; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence. In such cases, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *risparmio gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Decree 461 may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

The countries which allow for a satisfactory exchange of information for the purposes of Decree 239 are currently listed in the White List Decree, as amended or supplemented from time to time. Pursuant to Article 11, para. 4, let. c) of Decree 239, the Ministry of Finance should update the White List Decree on a semi-annual basis. The White List Decree was updated by Ministerial Decree dated 23 March 2017, broadening the list of countries and territories that allow an adequate exchange of information with the Italian Tax Authorities.

If none of the conditions above are met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *risparmio gestito* regime or are subject to the *risparmio amministrato* regime according to Article 6 of Decree 461 may be required to produce in due time to the Italian authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence.

Tax Monitoring

Pursuant to Law Decree No. 167 of 28 June 1990 ("**Decree 167**"), converted into law by Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-commercial institutions, non-commercial partnerships and similar institutions resident in Italy, under certain conditions, will be required to report in their yearly income tax return, for tax monitoring purposes, the amount of investments (including the Notes) directly or indirectly held abroad during each tax year. Inbound and outbound transfers and other transfers occurring abroad in relation to investments should not be reported in the income tax return.

This obligation does not exist in case the financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree 167, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, provided that income deriving from such financial assets is collected through the intervention of such an intermediary.

Inheritance and Gift Taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(ii) transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000;

(iii) transfers in favour of relatives (*parenti*) to the fourth degree or direct relatives-in-law (*affini in linea retta*), indirect relatives-in-law (*affini in linea collaterale*) within the third degree other than the relatives indicated above are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift; and

(iv) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied to the rate mentioned above on the value exceeding €1,500,000.

A tax credit may be available for the inheritance and gift tax paid in Italy under the applicable double tax treaty on inheritance and gift, if any.

Transfer Tax

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds executed in Italy are subject to fixed registration tax at a rate of €200; (ii) private deeds are subject to registration tax at a rate of €200, only in case of voluntary registration or if the so-called "*caso d'uso*" or "*enunciazione*" occurs.

Stamp Duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree 201**"), converted by Law No. 214 of 22 December 2011, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary, carrying out its business activity within the Italian territory, to a Noteholder in respect of any Notes which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.20 per cent and is determined on the basis of the market value or, if no market value figure is available, the nominal value or redemption amount of the Notes held. The stamp duty can be no lower than €34.20 and it cannot exceed €14,000 if the Noteholder is not an individual.

Wealth tax on Notes deposited abroad

Pursuant to Article 19(18-23) of Decree 201, as subsequently amended and supplemented, Italian resident individuals, non-commercial entities and certain partnerships, including *società semplici* or similar partnerships pursuant to Article 5 of Decree 917, holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. The maximum amount due is set at € 14,000 for Noteholders other than individuals.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Proposed European Financial Transactions Tax (FTT)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to the Dealers. The arrangements under which the Issuer may agree from time to time to sell Notes and the relevant Dealer(s) may agree to purchase are set out in an amended and restated dealer agreement dated 25 March 2022 (the "**Dealer Agreement**") and made between the Issuer and the Dealers.

Any agreement for the sale and purchase of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase.

The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of sales to EEA retail investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus, as completed by the Final Terms in relation thereto, to any retail investor in the European Economic Area.

For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II,

and the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

United Kingdom

Each Dealer has represented, warranted and agreed that:

(a) *No sales to retail investors*: unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus, as completed by the Final Terms in relation thereto, to any retail investor in the United Kingdom and, for the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of United Kingdom domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA,

and the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes;

(b) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention by the Issuer of Section 19 of the FSMA;

(c) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(d) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Republic of Italy

The offering of the Notes has not been registered with CONSOB pursuant to Italian securities legislation and, accordingly, each of the Dealers has represented and agreed that no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes 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 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and in accordance with any applicable Italian laws and regulations.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be made in compliance with the selling restriction under points (a) or (b) above and must be made:

(i) by *soggetti abilitati* (including investment firms, banks or financial intermediaries), as defined by Article 1, first paragraph, letter r), of the TUF, permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the TUF, CONSOB regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended from time to time (otherwise known as the *Testo Unico Bancario* or the "**TUB**") and any other applicable laws and regulations;

(ii) in compliance with Article 129 of the 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, as further amended from time to time (the "**Bank of Italy Guidelines**"), 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; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or any other competent Italian authority.

The Issuer has undertaken to comply with Article 129 of the TUB and the Bank of Italy Guidelines, with regard, *inter alia*, to the reporting obligations applicable to the Issuer.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

General

Each Dealer has agreed that it will obtain any consent, approval or permission which is required for the offer, purchase or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will comply with all such laws and regulations. Persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and each Dealer to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any other offering material relating to the Notes, in all cases at their own expense.

Any new Dealer appointed under the terms of the Dealer Agreement will be required to represent, warrant and agree to the same effect as set out above in this section.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s), or change(s) in official interpretation, after the date hereof of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (if relevant only to a particular Tranche of Notes) or will be set out in a supplement to this document (if required by applicable law).

GENERAL INFORMATION

Authorisations

The 2022 annual update of the Programme has been authorised by a resolution of the Board of Directors of the Issuer dated 28 November 2019. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue of the Notes.

Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is 8156001EBD33FD474E60.

Listing and admission to trading

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin.

However, Notes may be issued pursuant to the Programme which will (i) be listed or admitted to trading on such other or further stock exchanges, markets and/or quotation systems as the Issuer and the relevant Dealer(s) may agree or (ii) not be listed or admitted to trading on any stock exchange, market or quotation system.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA or in the UK. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Listing Agent

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

Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

Significant/material Change

Since 31 December 2020 there has been no material adverse change in the prospects of the Issuer and, since 30 September 2021, there has been no significant change in the financial position or performance of the Group.

Auditors

The Issuer's independent auditors are KPMG S.p.A. ("**KPMG**") and have been appointed for the financial years from 2021 to 2029. The head office of KPMG is at Via Vittor Pisani 25, 20124 Milan and it is registered under No. 13 with Consob's Special Register of Auditors (*Albo Speciale delle Società di Revisione*). KPMG has performed a limited review on the unaudited condensed consolidated interim financial information of the Issuer as at and for the six months ended 30 June 2021 in accordance with Consob Regulation No. 10867 of 31 July 1997.

The consolidated financial statements of the Issuer as at and for the years ended 31 December 2020 and 2019 were audited without qualification by PricewaterhouseCoopers S.p.A., former auditors to the

Issuer, which is registered under No. 119644 in the Register of Accountancy Auditors (*Registro Revisori Legali*) by the Italian Ministry of Economy and Finance, in compliance with the provisions of Legislative Decree No. 39 of 27 January 2010. PricewaterhouseCoopers S.p.A., which is located at Piazza Tre Torri 2, 20145 Milan, Italy, is also a member of ASSIREVI (the Italian association of auditing firms).

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield for Fixed Rate Notes

For any Tranche of Fixed Rate Notes, the applicable Final Terms will provide an indication of the yield. As set out in those Final Terms, the yield will be calculated at the Issue Date on the basis of the Issue Price but should not be regarded as an indication of future yield.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and International Securities Identification Number for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through any additional or alternative clearing systems, the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Documents on display

For so long as the Programme remains in effect or any Notes are outstanding, the following documents are (or will be) available on the following websites:

(a) this Base Prospectus, any supplements to this Base Prospectus and the Final Terms relating to each Series of Notes which is admitted to trading on Euronext Dublin's regulated market:

- on the website of Euronext Dublin (*https://live.euronext.com*)

(b) the audited consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2020 and 2019, its unaudited condensed consolidated interim financial statements as at and for the six months ended 30 June 2021 and its unaudited consolidated interim financial information as at and for the nine months ended 30 September 2021; in each case together with the accompanying notes and (where applicable) auditors reports:

- on the Issuer's website, at the addresses shown in the section of this Base Prospectus entitled "*Information Incorporated by Reference*"

(c) the By-laws (*statuto*) of the Issuer:

- on the Issuer's website at the following address:

https://www.gruppoiren.it/documents/21402/91112/20200327+-+Iren+SpA_Statuto+aggiornato+marzo+2020.pdf/15aab16a-79c6-4c88-842b-9fe99b829d8c

In addition, the Issuer regularly publishes its annual and interim financial statements on its website at *www.gruppoiren.it.*

In addition, copies of the following documents may be inspected during normal business hours at the offices of the Fiscal Agent at One Canada Square, London E14 5AL:

(a) the documents referred to in (a) to (c) above;

(b) the Agency Agreement;

(c) the Deed of Covenant;

(d) the Programme Manual (which contains the forms of the Notes in global and definitive form); and

(e) any Final Terms relating to Notes which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation, save that they will only be available for inspection by the relevant Noteholders and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity.

Interests of natural and legal persons involved in the issue of Notes

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in lending, advisory, investment banking, corporate finance services and other related transactions with the Issuer and/or Issuer's affiliates and/or companies involved directly or indirectly in the sectors in which the Issuer operates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers.

Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a significant lending relationship with the Issuer and/or Issuer's affiliates, routinely hedge their credit exposure to the Issuer and/or Issuer's affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could affect future trading prices of Notes issued under the Programme.

The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In relation to the issue and subscription of any Tranche of Notes, fees and/or commissions may be payable to the relevant Dealer(s). In addition, certain Dealers and/or their affiliates are lenders under financing facilities that may be repaid as part of the Issuer’s refinancing arrangements following the issue of the Notes. Certain Dealers or their affiliates may also act as counterparties in the hedging arrangements that the Issuer may enter into in connection with such refinancing arrangements and receive customary fees for their services in such capacities.

The Fiscal Agent and any other Paying Agent and any Calculation Agent appointed under the Programme (whether already a Paying Agent or otherwise) are agents of the Issuer and not agents of the Noteholders. Potential conflicts of interest may exist between them and Noteholders, including where a Dealer acts as a Calculation Agent. Examples of possible conflicts include those with respect to certain determinations and judgments that the Calculation Agent may make pursuant to the

Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

The relevant Final Terms will specify any other interests of natural and legal persons involved in each issue/offer of Notes under the Programme.

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

THE ISSUER

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

DEALERS

Goldman Sachs International
Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom

Intesa Sanpaolo S.p.A.
Divisione IMI Corporate &
Investment Banking
Via Manzoni, 4
20121 Milan
Italy

Mediobanca – Banca di Credito Finanziario S.p.A.
Piazzetta E. Cuccia, 1
20121 Milan
Italy

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Germany

FISCAL AGENT AND PAYING AGENT

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

LEGAL ADVISERS

To the Issuer as to English and Italian law:

Orrick, Herrington & Sutcliffe (Europe) LLP

Corso Giacomo Matteotti, 10
20121 Milan
Italy

Piazza della Croce Rossa, 2c
00161 Rome
Italy

To the Dealers as to English and Italian law:

Gianni & Origoni

6-8 Tokenhouse Yard
London EC2R 7AS
United Kingdom

Piazza Belgioioso 2
20121 Milan
Italy

Via delle Quattro Fontane, 20
00184 Rome
Italy

AUDITORS

For the financial years 2020 and 2019:
PricewaterhouseCoopers S.p.A.
Piazza Tre Torri, 2
20145 Milan
Italy

Since the financial year 2021:
KPMG S.p.A.
Via Vittor Pisani 25
20124 Milan
Italy

LISTING AGENT

Arthur Cox Listing Services Limited
10 Earlsfort Terrace
Dublin 2
Ireland