



INFORMATION DOCUMENT CONCERNING A RELATED PARTY TRANSACTION OF MAJOR SIGNIFICANCE

drafted in accordance with article 5 and in compliance with the schedule in Annex 4 of the Regulation adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended, with reference to the Additional Deed to the Service Contract between the Municipality of Turin, one party, and Amiat S.p.A., a company subject to management and coordination by IREN S.p.A., the other party

*Update compared to the Information Documents published on
29 March and 09 July 2018*

19 October 2021, **with additions apparent in the text published on 9 November 2021**

Information Document made available to the public at the registered office of IREN S.p.A. (via Nubi di Magellano 30, 42123 Reggio Emilia), on the IREN S.p.A. website (www.gruppoiren.it) and on the authorized storage mechanism 1Info Sdir Storage (<https://www.1info.it/PORTALE1INFO>), according to the procedures indicated in Part III, Title II, Chapter I of the Issuers' Regulation adopted by Consob with resolution no. 11971 of 14 May 1999.

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INTRODUCTION

This information document (**Information Document**) has been prepared by IREN S.p.A. (**IREN** or the **Company**) pursuant to and for the purposes of article 5 of the Regulation containing provisions on related party transactions, adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended (**Consob Regulation**), as well as pursuant to article 14.5 of the current Related Party Transactions Procedure adopted by the Board of Directors of IREN on 28 June 2021 with effect from 01 July 2021 (**RPT Procedure**).

The Information Document has been prepared in connection with the signing of the additional deed (**Additional Deed** or **Agreement**) proposed by the City of Turin (**City of Turin** or **Municipality**) to AMIAT – Azienda Multiservizi Igiene Ambientale Torino S.p.A. (**AMIAT**), a company belonging to the IREN Group and subject to management and coordination by IREN pursuant to article 2497 of the Civil Code.

The Additional Deed constitutes a supplement to the service contract (**Service Contract**) stipulated between AMIAT and the City on 04 December 2013 and concerning the entrustment in favour of the City of Turin of services for (i) integrated management of municipal waste, (ii) management of winter road services, (iii) management of services and works related to the closure and post-operational management of the Basse di Stura controlled underground plant and (iv) additional services connected and/or complementary to the above services.

The Service Contract was subject to certain amendments and additions through the signing of an agreement (**Definitive Agreement**) concluded on 12 July 2018, which concerned, one party, in addition to AMIAT, also other IREN Group companies – Iren Energia S.p.A. and Iren Mercato S.p.A.

This Information Document is, therefore, an update of the information documents published by IREN on 29 March and 9 July 2018, the latter relating to the conclusion of the Definitive Agreement.

The Additional Deed to the Service Contract, as amended by the Definitive Agreement, governs the main terms and conditions of the transaction (**Transaction**) that the City of Turin and AMIAT (**Parties**) intend to implement, with particular reference to:

- i. gradual replacement of the door-to-door waste collection service envisaged by the Service Contract as well as by the Definitive Agreement with a waste collection system through the installation of computerized eco-islands with controlled access (**Eco-island Collection System**) in all areas of the city of Turin where this will be technically feasible for an estimated total of about 590,000 inhabitants served;
- ii. related ordinary revision procedure of the final fee (**Final Fee**) as defined in the Definitive Agreement and related Annex 3.8.3 (**Annex 3.8.3**), including the related payment methods, in accordance with the provisions of article 15.1 of the Service Contract, in order to incorporate also in compensation the cost reductions deriving from the activities referred to in point i above.

The Transaction underlying the signing of the Additional Deed is treated in the same way as a transaction of major significance in that it supplements the previous transaction of major significance consisting of the signing of the Definitive Agreement and, as such, was approved by the Board of Directors of IREN, as well as the

Board of Directors of AMIAT, after obtaining the favourable opinion of the Related Party Transactions Committee (**Related Parties Committee** or **Committee**).

This Information Document was made available to the public on 19 October 2021 at the registered office of IREN S.p.A. (via Nubi di Magellano 30, 42123 Reggio Emilia), on the IREN S.p.A. website (www.gruppoiren.it), as well as on the authorized storage mechanism 1Info Sdir Storage (<https://www.1info.it/PORTALE1INFO>), according to the procedures indicated in Part III, Title II, Chapter I of the Issuers' Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, **and was integrated on 09 November 2021 with the information highlighted in the document in paragraphs 2.3 and 2.4.**

DEFINITIONS

For ease of reading, a list of the main terms used in the Information Document is provided below.

Unless otherwise specified, the terms below shall have the meanings set forth therein. If the context requires it, the terms defined in the singular form shall maintain the same meaning also in the plural form and vice versa.

Definitive Agreement: the definitive agreement, including the related annexes, concluded on 12 July 2018 between the Municipality, one party, and IREN, as the agent of the companies of the IREN Group – AMIAT, Iren Energia S.p.A. and Iren Mercato S.p.A., the other party, by which, among others, certain changes were made to the services covered by the Service Contract and the scope of the activities provided for in the same Service Contract was revised.

Preliminary Agreement: the preliminary agreement concluded on 03 April 2018 between the Municipality, one party, and IREN, as agent of the companies of the IREN Group – AMIAT, Iren Energia S.p.A. and Iren Mercato S.p.A., the other party, by which the parties have committed to the signing of the Definitive Agreement no later than 30 June 2018.

Annex 3.8.3: Annex 3.8.3 to the Definitive Agreement containing the *Amendments to the obligations between the City of Turin and AMIAT S.p.A. with respect to integrated differentiated home collection (door-to-door method)*.

Additional Deed or Agreement: the text of the additional agreement to the Service Contract, including the relevant annexes, approved by the respective competent bodies of the Municipality, one party, and of AMIAT and IREN, the other party, which regulates in a complete and definitive manner the terms and conditions of the Transaction.

AMIAT or Concessionaire: AMIAT – Azienda Multiservizi Igiene Ambientale Torino S.p.A., with registered office in Turin, via Germagnano 50, tax code, VAT number and registration with the Turin Companies Register no. 07309150014, a company indirectly controlled by IREN through Iren Ambiente S.p.A. and AMIAT V S.p.A., which holds 80% and by the Municipality, which holds the remaining 20% through FCT Holding.

ARERA: Italian Regulatory Authority for Energy, Networks and Environment.

City of Turin or Municipality or Grantor: the Municipality of Turin with its registered office in Piazza Palazzo di Città 1, 10122 Turin.

Public Contracts Code: Legislative Decree no. 50 of 18 April 2016.

Related Parties Committee or Committee: the Related Party Transactions Committee, made up exclusively of independent directors of IREN, called upon to express an opinion, at the end of the preliminary investigation conducted in compliance with current legislation on the subject, in accordance with the provisions of the Consob Regulation.

Legal Advisor: EY Tax Law Firm.

Service Contract or **AMIAT Contract**: the contract stipulated between AMIAT and the Municipality on 04 December 2013 concerning the entrustment to the City of Turin of services for (i) integrated management of municipal waste, (ii) management of winter road services, (iii) management of services and works related to the closure and post-operational management of the Basse di Stura controlled underground plant and (iv) additional services connected and/or complementary to the above services.

Final Fee: the fee, as defined in Annex 3.8.3 of the Definitive Agreement, that the City of Turin shall pay to AMIAT for the extension of the integrated door-to-door separate collection service to the entire city of Turin.

MTR Fee: the valuation of the fee implemented pursuant to Resolution 443/2019 and Resolution 363/2021.

Resolution 443/2019: resolution no. 443/2019/R/Rif indicating: *Definition of the criteria for the recognition of the efficient operating and investment costs of the integrated waste service, for the period 2018-2021* with the related Annex waste tariff method, adopted by ARERA on 31 October 2019.

Resolution 363/2021: resolution no. 363/2021/R/Rif indicating: *Approval of the waste tariff method (MTR-2) for the second regulatory period 2022-2025* with the related Annex waste tariff method, adopted by ARERA on 03 August 2021.

Information Document: this information document prepared pursuant to article 5 and in accordance with the format set out in Annex 4 of the Consob Regulation.

FCT Holding: Finanziaria Città di Torino Holding S.p.A., with registered office in Turin, piazza Palazzo di Città 1, tax code and registration with the Turin Companies Register no. 08765190015, a wholly publicly owned company whose sole shareholder is the City of Turin.

FSU: Finanziaria Sviluppo Utilities S.r.l., with registered office in Genoa, via SS. Giacomo e Filippo 7, tax code, VAT number and registration with the Genoa Companies Register no. 01602020990, whose share capital is currently held entirely by the Municipality of Genoa.

IREN Group: the multi-utility group operating in the sectors of electricity, gas, thermal energy for district heating, management of integrated water, environmental and technological services, headed by IREN and including, among others, AMIAT, which is subject to management and coordination by IREN pursuant to article 2497 and following of the Civil Code.

IREN or the **Company**: IREN S.p.A., with registered office in Reggio Emilia, via Nubi di Magellano 30, tax code, VAT number and registration with the Reggio Emilia Companies Register no. 07129470014.

Transaction: the transaction illustrated in chapter 2, paragraph 2.1 of this Information Document.

Committee Opinion: the reasoned opinion on the interest of IREN in the Transaction, as well as on the appropriateness and substantial fairness of the related conditions, issued unanimously on 21 September 2021 by the Related Parties Committee in accordance with the Consob Regulation and article 10, letter d) of the RPT Procedure.

Work Plan: the annual technical work plan provided for under article 23.2 of the Service Contract, which is approved, with any amendments and updates, and with the relevant economic fee, annually, by November of the previous year, by resolution of the Municipal Council.

RPT Procedure: the current Related Party Transactions Procedure adopted by the Board of Directors of IREN on 28 June 2021 with effect from 01 July 2021.

Consob Regulation: the Regulation containing provisions on related party transactions adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended and integrated.

Fee Reduction: the fee reduction as defined in the Additional Deed implemented even for only one year of accrual in accordance with the provisions of Resolution 443/2019 and 363/2021.

Eco-island Collection System: the system of waste collection through the installation of computerized access-controlled eco-islands in lieu of the door-to-door waste collection system.

1. WARNINGS

1.1 Risks related to potential conflicts of interest arising from the Transaction

The Transaction is a transaction carried out pursuant to article 11 of the RPT Procedure by the Company through its subsidiary AMIAT with a related party, since it involves the City of Turin, an entity listed among IREN related parties in accordance with article 3, letter a) and the Appendix to the Consob Regulation. Specifically, the City of Turin, indirectly through Finanziaria Città di Torino Holding S.p.A. (**FCT Holding**), holds 13.803% of the share capital of IREN, represented by 179,567,795 ordinary shares subject to a shareholders' agreement concluded on 09 May 2016, as updated, by Addendum, with effect from 05 April 2019.

The City of Turin is also one of the IREN Group's key customers.

More specifically, the Transaction is in addition to the Service Contract, as in turn amended and supplemented by the Definitive Agreement stipulated between the companies of the IREN Group – AMIAT, Iren Energia S.p.A. and Iren Mercato S.p.A. – and the City of Turin.

The Transaction underlying the signing of the Additional Deed between AMIAT and the City of Turin is treated in the same way as transactions of major significance insofar as it supplements the previous transaction of major significance consisting of the signing of the Definitive Agreement. IREN has consequently activated procedures to manage these situations in order to ensure the transparency and substantive and procedural correctness of the Transaction.

In compliance with the provisions of article 10, letter b) of the RPT Procedure, the Related Parties Committee was kept constantly informed by the competent corporate structures of the discussions with the Municipality and was involved in the definition phase of the text of the Additional Deed through meetings, discussions and, in general, the receipt of a continuous, complete and timely flow of information.

On 21 September 2021, the Related Parties Committee expressed its favourable opinion on the interest of IREN in carrying out the Transaction, as well as on the appropriateness and substantial correctness of the related conditions pursuant to article 10, letter d) of the RPT Procedure, as well as in accordance with the provisions of article 8, letter c) of the Consob Regulation. The Committee's Opinion is annexed to this Information Document.

The Transaction does not present any particular risks related to potential conflicts of interest other than those typically inherent in transactions between related parties, nor any risks other than those inherent in transactions of a similar nature.

2. INFORMATION RELATING TO THE TRANSACTION

2.1 Characteristics, methods, terms and conditions of the Transaction

The Transaction, which was finalized with the conclusion of the Additional Deed between, one party, AMIAT, a company belonging to the IREN Group and subject to the direction and coordination of IREN pursuant to article 2497 of the Civil Code, and, the other party, the City of Turin is aimed at regulating (i) the progressive replacement of the door-to-door waste collection service provided for by the Service Contract and the Definitive Agreement and related annexes with the Eco-island Collection System starting from 2023 in all areas of the city of Turin where this will be technically feasible, for an estimated total of about 590,000 inhabitants served; (ii) the related ordinary revision procedure of the final fee (**Final Fee**) as defined in the Definitive Agreement and Annex 3.8.3 thereto (**Annex 3.8.3**), including the related payment methods, in accordance with article 15.1 of the Service Contract, in order to incorporate, also as compensation, the cost reductions deriving from the activities referred to in point i above.

The Additional Deed to the Service Agreement as in turn amended by the Definitive Agreement was signed between the Parties within the framework of the rules contained in Legislative Decree of 18 April 2016 (**Public Contracts Code**) *ratione temporis* applicable in accordance with the provisions of ANAC Resolution no. 388 of 12 April 2017 and in particular pursuant to the provision of article 175, letter a).

More specifically, the Transaction is part of the concessionary relationship between the Municipality and AMIAT relating to the signing of the Service Contract for the entrustment of services to the City of Turin for (i) integrated management of urban waste, (ii) management of winter road services, (iii) management of services and works relating to the closure and post-operational management of the Basse di Stura controlled underground plant and (iv) additional services connected and/or complementary to the above services.

The above Service Contract was subject to certain amendments and additions through the stipulation of the Definitive Agreement, which concerned, one party, in addition to AMIAT, also other IREN Group companies – Iren Energia S.p.A. and Iren Mercato S.p.A. – and, the other party, the City of Turin.

More specifically, on 27 March 2018, by Resolution of the Municipal Council no. 1109/064, the Municipality approved an outline of a preliminary framework agreement (**Preliminary Agreement**) to be signed between the Municipality and the companies of the IREN Group – AMIAT, Iren Energia S.p.A. and Iren Mercato S.p.A. – concerning, *inter alia* and as far as AMIAT is concerned, certain changes to the services covered by the Service Contract and more specifically:

- i. recognition by the City of Turin of certain receivables claimed by AMIAT;
- ii. settlement of disputed receivables between the City of Turin and AMIAT;
- iii. commitment of the City of Turin to progressively reduce its debt stock through the definition of Repayment Plans – as defined in the same Preliminary Agreement;
- iv. extension of the activities covered by the Service Contract to the door-to-door waste collection service to replace the traditional street collection service.

By signing the Preliminary Agreement, the companies of the IREN Group – AMIAT, Iren Energia S.p.A. and

Iren Mercato S.p.A. – and the City of Turin undertook to sign – on 12 July 2018 – the Definitive Agreement.

With specific reference to the amendments to the AMIAT Contract referred to in point (iv) above, article 3.8.2 of the Definitive Agreement refers to Annexes 3.8.2 and 3.8.3 for the regulation of the terms and conditions of the revision of the reciprocal contractual obligations.

In particular, Annex 3.8.3 governs the procedures and timing for extending the door-to-door waste collection service to the entire city of Turin.

In order to carry out the above activities, AMIAT has been agreed to receive an annual fee in the total amount of Euro 10,000,000.00, excluding VAT and inflation adjustments (**Final Fee** as defined in the Definitive Agreement) in addition to the initial fee provided for in the annual technical work plan as defined in article 23.2 of the Service Contract (**Work Plan**), to be paid upon completion of the door-to-door collection activities in the three neighbourhoods of S. Salvario, S. Rita Ovest and Vanchiglietta and prior to the extension of the door-to-door waste collection system to the entire city of Turin.

The same Annex 3.8.3 to the Definitive Agreement provides that the Final Fee shall be recognized progressively over the years of extension of the door-to-door waste collection system according to the number of inhabitants served from time to time up to a total number of approximately 400,000 inhabitants for the completion of the city.

The above-mentioned agreements supplemented the Service Contract by virtue of the provisions of article 15.1 of the same contract, according to which: “*the option to revise the terms of this contract as follows: (...) a) annual review: at the end of each contractual year, the concessionaire may request a review of the current contract; b) ordinary review: at the end of each three-year period, an ordinary review must be carried out to verify the persistence of the contractual conditions of equilibrium of the economic-financial plan, or the need for any revisions in the form of changes to the conditions of income and/or cost and/or duration of the concession*”.

Subsequent to the signing of the Definitive Agreement, starting from June 2019, on agreement between AMIAT and the Municipality, the experimentation of the Eco-island Collection System has been initiated in place of the door-to-door waste collection system in the area initially served by traditional street collection and included between C.so Traiano, C.so Croce, Via Vigliani, C.U. Sovietica, for about 8,000 inhabitants served.

By letter prot. no. AT001460-2019-P of 25 November 2019, AMIAT proposed to the City of Turin the extension of the Eco-island Collection System in the neighbourhoods served by the traditional street collection of Spine, San Secondo, Madonna di Campagna, Borgo Vittoria, Barriera di Milano, Statistical Zones of the Centre 5, 6, 7, 8, 11, for a total of approximately 170,000 inhabitants served.

In response to the aforementioned letter, the City of Turin, by note prot. no. 1004 of 02 December 2019, allowed AMIAT to proceed with the Eco-island Collection System in the districts referred to in note prot. no. AT001460-2019-P above.

In a subsequent letter prot. no. 2494 of 03 June 2020, the City of Turin provided AMIAT with approval to consider extending the Eco-island Collection System to the additional San Donato neighbourhood in lieu of

the condominium door-to-door collection system.

This extension plan is still in progress and by the end of 2022, the entire city of Turin will be served with home collection, partly with the door-to-door waste collection system, as provided for in the Definitive Agreement, and partly with the Eco-island Collection System currently being experimented.

In view of the fact that the Eco-island Collection System is allowing excellent results to be achieved in terms of improving differentiated waste collection – involving larger investments than the door-to-door system (hence higher amortisation and higher return on invested capital) and, at the same time, a reduction in operating costs – AMIAT and the City of Turin agreed to progressively replace the door-to-door waste collection service with the Eco-island Collection System from 2023 in all areas of Turin where this is feasible.

To this end, AMIAT and the City of Turin therefore intended to carry out a new ordinary revision of the fees pursuant to article 15.1 of the AMIAT Contract, as amended and supplemented by the Definitive Agreement and related Annex 3.8.3, by signing an Additional Deed to the Service Contract pursuant to article 175, letter a) of the Public Contracts Code.

The Additional Deed therefore sanctions the understandings reached between the Parties with respect to the Transaction that they intend to implement, with a unitary structure, in order to regulate:

- i. the extension of the services covered by the Service Contract to the Eco-island Collection System currently being implemented in the areas initially served by traditional street collection and included between C.so Traiano, C.so Croce, Via Vigliani, C.U. Sovietica, as well as in the areas of Spine, San Secondo, Quadrilatero, San Salvario, San Donato, Madonna di Campagna, Borgo Vittoria, Barriera di Milano, Statistical areas of the Centre 5, 6, 7, 8, 11 for a total of about 210,000 inhabitants served. This extension will be completed in the year 2022;
- ii. gradual replacement of the door-to-door waste collection service envisaged by the Service Contract as well as by the Definitive Agreement and related annexes with the Eco-island Collection System in all areas of the city of Turin where this will be technically feasible, for an estimated total of about 590,000 inhabitants served in the period 2023-2029;
- iii. related ordinary revision procedure of the final fee (**Final Fee**) as defined in the Definitive Agreement and related Annex 3.8.3 (**Annex 3.8.3**), including the related payment methods, in accordance with the provisions of article 15.1 of the Service Contract, in order to incorporate also in compensation the cost reductions deriving from the activities referred to in point i above.

Moreover, due to the introduction, during experimentation of the Eco-island Collection System, of ARERA Resolutions 443/2019/rif and 363/2021/rif containing the new method for determining tariffs, the Additional Deed provides for appropriate mechanisms to rebalance the economic-financial equilibrium of the concessionary relationship in the event that, for reasons directly or indirectly attributable to the Grantor, the valuation of the fee implemented pursuant to the aforementioned resolutions (**MTR Fee**) leads to the remuneration of the Service Contract activities for an amount lower than that resulting from the application of the Service Contract as amended by the Definitive Agreement and the subsequent Additional Deed. It is

therefore theoretically necessary, even for one year only, to reduce the fee in accordance with the provisions of the aforementioned resolutions (**Fee Reduction**).

The Transaction represents an integration of the Service Contract – as part of the ordinary revision procedure under article 15.1 of the Service Contract – as in turn amended and supplemented by the Definitive Agreement already subject, the latter, to public disclosure pursuant to article 5 of the Consob Regulation with a document published on 09 July 2018.

2.2 Indication of the related parties involved in the Transaction and the nature of the relation

The City of Turin, as specified in chapter 1, paragraph 1.1, is configured as a related party of IREN pursuant to article 3, letter a) and the Appendix to the Consob Regulation, in that it exercises, indirectly, through FCT Holding, and jointly with other parties, by virtue of the shareholders' agreement concluded on 09 May 2016, as updated, through Addendum, to 05 April 2019, control over IREN.

2.3 Indication of the economic reasons and convenience of the Transaction

The Transaction was primarily to agree on the gradual replacement of the door-to-door waste collection service envisaged by the Service Contract as well as by the Definitive Agreement and related annexes with the Eco-island Collection System in all areas of the city of Turin where this will be technically feasible, for an estimated total of about 590,000 inhabitants served and to proceed with the ordinary revision of the Final Fee in accordance with article 15.1 of the Service Contract.

The above-mentioned Eco-island Collection System has several advantages from an operational point of view compared to the door-to-door collection service, mainly due to the following aspects:

- Improvement in the percentage of separate collection compared to the condominium door-to-door system (in the second half of 2020: %RD average door-to-door system < 60%; %RD average Eco-island Collection System > 65%);
- Improvement in working conditions for collection staff, reducing fatigue and, consequently, the incidence of non-qualification;
- Efficiency of the service, with a reduction in the overall number of vehicles and drivers employed;
- Computerisation of the service, resulting in greater flexibility (filling sensors, ...) and the possibility of monitoring user behaviour;
- Preparation for the application of accurate tariffs, which is not feasible with the condominium door-to-door system (except by grouping by condominium instead of by individual users);
- Increase in net invested capital and reduction in operating costs; in accordance with the tariff methodology (**MTR methodology**) defined by ARERA, this will allow both a reduction in the Final Fee and higher remuneration, **as valued in the business plan referred to in paragraph 2.4 below.**

The main benefits for users consist of the following:

- No need to display the containers according to the pre-established schedule, which saves money (in condominium without a concierge, a cooperative is usually commissioned) and increases flexibility;

- Non-occupation of condominium space.

From an operational point of view, AMIAT has activated various initiatives to inform/educate citizens on the correct use of the system and to counteract incorrect behaviour (e.g. waste abandonment, a phenomenon that is also present with the door-to-door collection system outsourced, where there is a lack of condominium spaces);

- Introduction of the figure of the Environmental Controller, with the task of monitoring the territory, raising awareness among users (domestic and non-domestic) and – in the final instance – collecting the elements for the subsequent administrative sanction (from 35 in the first half of 2020 to approximately 150 in the first half of 2021);
- Camera installation and management;
- Periodic meetings with the Circumscriptions concerned, both in the planning/launch phase of the system, and in the management phase during commissions open to citizens as well (also to optimize the service according to its effective use, such as: relocation and/or strengthening of eco-islands, increase in the frequency of collection, introduction of ad hoc solutions such as the use of a large door in the case of commercial users with large waste production and/or the establishment of dedicated collections);
- Strengthening of daily collection (in some cases, also in the morning and afternoon) of abandoned items, with the use of dedicated trucks;
- Simplification of eco-card distribution, in the start-up phase with door-to-door delivery and, subsequently, at eco-counters and/or with mailing, upon request to the contact centre (N.B. to date, more than 1,500 cards have been provided to users not registered in the TARI database, with a positive contribution to countering against evasion/avoidance).

The Transaction, as structured on the basis of the Additional Deed, presents a balanced set of commitments and mutual benefits and, as far as AMIAT is concerned, allows to:

- obtain the gradual replacement of the door-to-door waste collection service envisaged by the Service Contract and the Definitive Agreement and related annexes with the Eco-island Collection System in all areas of the city of Turin where this will be technically feasible with the resulting advantages in terms of operations and service efficiency;
- successfully complete the ordinary triennial review procedure provided for in article 15.1 (b) of the AMIAT Contract;
- enable the implementation of new industrial projects;
- introduce mechanisms to rebalance the economic-financial balance of the concessionary relationship in the event that, for reasons directly or indirectly attributable to the Grantor, the Fee **deriving from the application of ARERA resolutions (MTR Fee)** leads to the remuneration of the activities of the Service Contract for an amount lower than that deriving from the application of the Service Contract itself as amended by the Definitive Agreement and the subsequent Additional Deed; **As is well known, in fact, the MTR fee - which in reality consists of a variable "range" based on parameters**

defined by the local authority (in this case the City of Turin) - represents a "ceiling" that cannot be exceeded by other agreements between the authority and the operator. The agreement in question defines rebalancing mechanisms to be applied in the event the MTR Fee (valued as indicated above) is lower than the fee deriving from the application of the Service Contract and the agreement; these mechanisms provide, for example, for certification at the highest level of the "range" or, if this is not sufficient, the submission of a specific request to ARERA, as provided for in article 8, paragraph 5 of ARERA Resolution 363/2021/R/RIF (MTR-2) for the purposes of revising the tariff arrangement in order to maintain economic and financial balance.

2.4 Procedures for determining the Transaction fee and assessments of its fairness in relation to market values for similar transactions

To determine the fee envisaged for the progressive replacement of the "door-to-door" waste collection service provided for in the Service Contract and the Final Agreement and related annexes with the Eco-island Collection System, a business plan was prepared based on the of the final data collected on the occasion of the installations carried out in 2020 and in the first months of 2021 and valued in accordance with the MTR methodology.

Given the atypical nature and complexity of the Transaction as a whole, its unitary structure and the multiplicity of agreements contained therein, the overall reasonableness and cost-effectiveness of the conditions for both IREN and AMIAT with respect to the market was assessed with reference to the returns expected from the contractual amendments as a whole, since it was not possible to carry out an examination with reference to the market values of the individual actions envisaged.

The business plan was drafted in differential terms with respect to the "door-to-door" collection system, and the following were therefore considered:

- the incremental investments for the purchase of new equipment (computerized eco-islands) and new means (for emptying the eco-islands and waste collection), net of the lack of investments that the company would in any case have had to make to replace obsolete equipment (door-to-door containers) and means (for door-to-door collection);
- a reduction in operating costs, mainly in terms of fewer employees and less means required;
- the improvement in the % of separate collection recorded in the transition from the door-to-door model to the computerized eco-island model and, consequently, the reduction in the cost of disposing of undifferentiated waste
- the reduction in fees with respect to the door-to-door system, assessed in accordance with the ARERA methodology as a result of the above-mentioned cost and investment trends.

The Business Plan defined with the above variables resulted in an IRR (Internal Rate of Return) of over 7.3%, higher than the "eligibility" range considered in the IREN Business Plan for the approval of the investments of the Waste Collection business unit.

However, the positive results described above do not take into account the other 'indirect' benefits described in the previous paragraph, such as better working conditions leading to increased productivity.

2.5 Description of the economic, equity and financial effects of the Transaction

For the definition of the countervalue referred to the Transaction which, as mentioned, is an integration of the previous transaction of major significance constituted by the signing of the Definitive Agreement, reference should be made to the overall quantification set out in paragraph 2.5 of the Information Document published on 09 July 2018.

The cumulative Fee Reduction over the years amounts to about Euro 44 million.

In any case, irrespective of the value of the Transaction referred to in the Information Document, it should be noted that the Transaction has been treated in the same way as a transaction of major significance insofar as it supplements the previous transaction of major significance consisting of the signing of the Definitive Agreement.

In terms of the economic, equity and financial consequences that will arise as a result of the Transaction with the conclusion of the Additional Deed, it should be noted that the redefinition of existing contractual relationships and the implementation of new industrial projects/services extension, capable of offsetting the negative effects deriving from the review of the fees requested by the Municipality allows returns to be maintained in line both with the profitability targets defined at IREN Group level in the 2017-2022 Business Plan and with the returns expected from comparable companies, i.e. operating in the same sectors as the Group companies involved, with an expected positive differential margin, even at the level of the individual Group company involved **(see previous paragraph)**.

2.6 Possible impact on the remuneration of the members of the Board of Directors of the Company and/or its subsidiaries as a result of the Transaction

No changes in the remuneration of IREN and/or AMIAT directors are expected as a result of the Transaction.

2.7 Interests of members of management and control bodies, general managers and executives of the Company

The Transaction does not involve members of the Board of Directors, the Board of Statutory Auditors and/or IREN executives as related parties.

2.8 Procedure for approving the Transaction

The purpose of the Transaction is to agree on the gradual replacement of the door-to-door waste collection service envisaged by the Service Contract and the Definitive Agreement and related annexes with the Eco-island Collection System in all areas of the city of Turin where this will be technically feasible, in view of the advantages in operational terms and the resulting increase in service efficiency, and to proceed with the ordinary revision of the Final Fee in accordance with article 15.1 of the Service Contract.

The Transaction is carried out by the Company through its subsidiary AMIAT with a related party, since it involves the City of Turin, an entity listed among IREN Related Parties in accordance with the provisions of article 3, letter a) and the Appendix to the Consob Regulation.

The Transaction was approved by the Board of Directors of IREN and AMIAT after obtaining the favourable opinion of the Related Party Transactions Committee, unanimously of its members, pursuant to the provisions of article 8, paragraph 1, letter c) of the Consob Regulation and article 10, letter d) of the current RPT Procedure.

The Committee received preliminary information on the characteristics of the Agreement that was going to be proposed to the Municipality and was kept promptly informed on the discussions held with the officials of the Municipality, receiving from the competent corporate structures the relevant documentation and a complete illustration of the procedures, terms and conditions of the Transaction and its economic reasons, as well as the convenience and the economic, equity and financial effects of the same.

The Committee carried out in-depth studies and formulated observations both during the preliminary investigation phase and during the negotiations for the definition of the Additional Deed, availing itself, *inter alia*, of the support of the Company's management or, in addition, of the specific support of the EY Tax Law Firm (**SLT**) as legal advisor appointed by management for support in the negotiations with the Municipality relating to the drafting and signing of the Additional Deed itself (**Legal Advisor**).

In particular, the Committee analysed, also with the help of the Company's internal structures and of the Legal Advisor, the structure of the Additional Deed and of the related annexes, Annex A and Annex B, and assessed the Transaction as a whole, expressing a favourable opinion on the completion of the Transaction:

- from the point of view of the interest in carrying it out, ascertaining its compliance with a positive prospective evaluation, its functionality in relation to the objectives pursued, its suitability for carrying out the extension of the Eco-island Collection System to replace the door-to-door waste collection system and, with reference to the new industrial initiatives to be launched and the revision of the current Service Contract, its compliance with the corporate purposes and strategic objectives of the companies directly involved;
- from the point of view of its convenience, verifying the overall reasonableness and cost-effectiveness of the conditions for both IREN and AMIAT with reference to the returns expected from the contractual amendments as a whole, since it is not possible to carry out an examination with reference to the market values of the individual actions envisaged;
- from the point of view of the substantive correctness of its conditions, with particular regard to (i) the regulatory framework of the Additional Deed within the framework of the rules contained in the Public Contracts Code *ratione temporis* applicable in accordance with the provisions of ANAC Resolution no. 388 of 12 April 2017; (ii) the application in particular of the provision of article 175, paragraph 1 - letter a) of the Italian Public Contracts Code, according to which it is allowed to amend the concessions during the period of effectiveness without a new awarding procedure in the event the amendment has been expressly provided for in the initial tender documents, as long as such provision is contained in

clear, precise and unequivocal clauses setting forth “*the scope, the nature of any amendments, as well as the conditions under which they may be used*”; (iii) the signing of the Additional Deed as part of the ordinary three-year review procedure of the payment methods of the fees in accordance with article 15.1 of the Service Contract, as amended and integrated by the subsequent Definitive Agreement and the relevant Annex 3.8.3.

The Committee unanimously issued its favourable opinion on the Transaction to the respective members present on 21 September 2021.

On 30 September 2021, following the issue of the Committee's favourable opinion on 21 September 2021, the AMIAT Board of Directors, with the favourable vote of all directors, approved the Transaction and the execution of the Additional Deed, granting the Chief Executive Officer a mandate to perform all acts necessary to conclude the Transaction, including, *inter alia*, the signing of the Additional Deed, with the power to make any non-substantial amendments to the approved text that may be necessary during the completion phase.

By resolution no. 1000 of the Municipal Council dated 30 September 2021, the Municipal Council approved the outline of the Additional Deed without substantial changes or amendments authorizing the signing of the Agreement by the Mayor.

On 08 October 2021, the Municipality represented by the Mayor – Chiara Appendino – signed and sent by certified e-mail (PEC) to AMIAT the aforementioned proposed Additional Deed.

The fact that the Transaction was classified as a transaction of major significance meant that it also had to be approved by the Board of Directors of IREN.

On 12 October 2021, the Board of Directors of IREN approved the Additional Deed, taking into account the reasoned favourable opinion expressed on 21 September 2021 by the Committee regarding the interest for the IREN Group and, specifically, for AMIAT, in the completion of the Transaction, as well as the convenience and fairness of the related conditions.

On 13 October 2021, AMIAT – represented by the Chief Executive Officer Gianluca Riu – signed for acceptance the proposed Additional Deed sent by the Municipality on 08 October 2021 and sent the signed Additional Deed to the City of Turin.

By signing the Additional Deed, the Parties have therefore completed the Transaction.

2.9 If the significance of the Transaction derives from the accumulation, pursuant to article 5, paragraph 2, of several transactions carried out during the year with the same related party, or with parties related both to the latter and to the Company, the information indicated in the previous points must be provided with reference to all the aforementioned transactions

The case referred to in this paragraph is not applicable to the Transaction.

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The favourable opinion expressed by the Committee on 21 September 2021 is annexed, pursuant to article 5 of the Consob Regulation.

Reggio Emilia, 19 October 2021 / **09 November 2021**

IREN S.p.A.

Annexes
Opinion of the Related Parties Committee

IREN S.p.A.
RELATED PARTY TRANSACTIONS COMMITTEE

Opinion rendered on 21 September 2021, pursuant to article 10, letter (d) of the current
Related Party Transactions Procedure

related

to the transaction that the subsidiary AMIAT – Azienda Multiservizi Igiene Ambientale
Torino S.p.A. (**AMIAT** or the **Company**) intends to carry out with the City of Turin (**CoT**
or **Municipality**), through the stipulation of an Additional Deed to the Service Contract,
relating to the gradual replacement of the door-to-door waste collection service
provided for in the Service Contract and the Definitive Agreement with the Eco-island
Collection System - as defined below - starting from 2023 in all districts of the city of
Turin and the related revision of the fee (**Additional Deed** or **Supplementary**
Agreement), treated as major significance.

INTRODUCTION

The Related Party Transactions Committee (**Committee**) of IREN S.p.A. (**Iren**) is called upon to express pursuant to article 10, letter (d) of the current Related Party Transactions Procedure (**Procedure**), adopted on 28 June 2021 with effect from 01 July 2021, as well as in accordance with the provisions of article 8, paragraph 1, letter c) of Consob Regulation no. 17221 of 12 March 2010, as subsequently amended and supplemented (**Consob Regulation**), its opinion in favour of the signing of an Additional Deed to be concluded between the Municipality as granting authority, one party, and AMIAT, as concessionaire (a company indirectly controlled by Iren), the other party.

The draft Additional Deed has been submitted to the Municipality and, following the expression of the Committee's favourable opinion, it will be approved by a resolution of the Municipal Council without substantial modifications or amendments and by a resolution of the Board of Directors of Iren and AMIAT.

** ** *

1. DESCRIPTION OF THE TRANSACTION

• THE SERVICE CONTRACT AND THE DEFINITIVE AGREEMENT

The Additional Deed integrates the provisions contained in the service contract stipulated between AMIAT and the Municipality on 04 December 2013 (**Service Contract** or **AMIAT Contract**) and concerns the entrustment to AMIAT of services for (i) integrated management of municipal waste, (ii) management of winter road services, (iii) management of services and works related to the closure and post-operational management of the Basse di Stura controlled underground plant and (iv) additional services connected and/or complementary to the above services.

The Service Agreement was first supplemented by means of stipulation of an additional deed on 12 July 2018.

In particular, on 27 March 2018, by Resolution of the Municipal Council no. 1109/064, the Municipality approved an outline of a preliminary framework agreement (**Preliminary Agreement**) to be signed between the Municipality and the companies of the IREN Group – AMIAT, Iren Energia S.p.A. and Iren Mercato S.p.A. – concerning, *inter alia*, certain changes to the services covered by the Service Contract and more specifically:

- (i) recognition by the CoT of certain receivables claimed by AMIAT;
- (ii) settlement of disputed receivables between the CoT and AMIAT;
- (iii) commitment of CoT to progressively reduce its debt stock through the definition of Repayment Plans – as defined in the same Preliminary Agreement;
- (iv) extension of the activities covered by the Service Contract to the door-to-door waste collection service to replace the traditional street collection service.

On 12 July 2018, AMIAT and the CoT entered into a definitive agreement (**Definitive Agreement**), which complies with the provisions contained in the Preliminary Agreement.

With regard to the above-mentioned point (iv), article 3.8.2 of the Definitive Agreement refers to Annexes 3.8.2 and 3.8.3 for the regulation of the terms and conditions of the revision of the reciprocal contractual obligations.

In particular, Annex 3.8.3 governs the procedures and timing for extending the door-to-door waste collection service to the entire city of Turin.

In order to carry out the above activities, AMIAT has been agreed to receive an annual fee in the total amount of Euro 10,000,000.00, excluding VAT and inflation adjustments (**Final Fee** as defined in the Definitive Agreement) in addition to the initial fee provided

for in the annual technical work plan as defined in article 23.2 of the Service Contract (**Work Plan**), to be paid upon completion of the door-to-door collection activities in the three neighbourhoods of S. Salvario, S. Rita Ovest and Vanchiglietta and prior to the extension of the door-to-door waste collection system to the entire city of Turin.

The same Annex 3.8.3 to the Definitive Agreement provides that the Final Fee shall be recognized progressively over the years of extension of the door-to-door waste collection system according to the number of inhabitants served from time to time up to a total number of approximately 400,000 inhabitants for the completion of the city.

The above-mentioned agreements supplemented the Service Contract by virtue of the provisions of article 15.1 of the same contract, according to which: *“the option to revise the terms of this contract as follows: (...) a) annual review: at the end of each contractual year, the concessionaire may request a review of the current contract; b) ordinary review: at the end of each three-year period, an ordinary review must be carried out to verify the persistence of the contractual conditions of equilibrium of the economic-financial plan, or the need for any revisions in the form of changes to the conditions of income and/or cost and/or duration of the concession”*.

- THE ADDITIONAL DEED RELATING TO THE TRANSACTION

Subsequent to the signing of the Definitive Agreement, starting from June 2019, on agreement between AMIAT and the Municipality, the experimentation of a waste collection system has been initiated through the installation of computerized eco-islands with controlled access (**Eco-island Collection System**) in place of the door-to-door waste collection system in the area initially served by traditional street collection and included between C.so Traiano, C.so Croce, Via Vigliani, C.U. Sovietica, for about 8,000 inhabitants served.

By letter prot. no. AT001460-2019-P of 25 November 2019, AMIAT proposed to the CoT the extension of the Eco-island Collection System in the neighbourhoods served by the traditional street collection of Spine, San Secondo, Madonna di Campagna, Borgo Vittoria, Barriera di Milano, Statistical Zones of the Centre 5, 6, 7, 8, 11, for a total of approximately 170,000 inhabitants served.

In response to the aforementioned letter, the CoT, by note prot. no. 1004 of 02 December 2019, allowed AMIAT to proceed with the Eco-island Collection System in the districts referred to in note prot. no. AT001460-2019-P above.

In a subsequent letter prot. no. 2494 of 03 June 2020, the CoT provided AMIAT with approval to consider extending the Eco-island Collection System to the additional San Donato neighbourhood in lieu of the condominium door-to-door collection system.

This extension plan is still in progress and by the end of 2022, the entire city of Turin will be served with home collection, partly with the door-to-door waste collection system, as provided for in the Definitive Agreement, and partly with the Eco-island Collection System currently being experimented.

In view of the fact that the Eco-island Collection System is allowing excellent results to be achieved in terms of improving differentiated waste collection - involving larger investments than the door-to-door system (hence higher amortisation and higher return on invested capital) and, at the same time, a reduction in operating costs - AMIAT and the CoT intend to progressively replace the door-to-door waste collection service with the Eco-island Collection System from 2023 in all areas of Turin where this is feasible.

To this end, AMIAT and the CoT therefore intend to carry out a new ordinary revision of the fees pursuant to article 15.1 of the AMIAT Contract, as amended and supplemented by the Definitive Agreement and related Annex 3.8.3, by signing an Additional Deed to the Service Contract pursuant to article 175, paragraph 1 - letter a) of Legislative Decree

18 April 2016 no. 50 (**Public Contracts Code**).

The Additional Deed therefore sanctions the understandings reached between the parties with respect to the transaction (**Transaction**) that they intend to implement, with a unitary structure, in order to regulate:

- i. gradual replacement of the door-to-door waste collection service envisaged by the Service Contract as well as by the Definitive Agreement and related annexes with the Eco-island Collection System in all areas of the city of Turin where this will be technically feasible, for an estimated total of about 590,000 inhabitants served;
- ii. relevant ordinary revision procedure of the Final Fee as defined in the Definitive Agreement and Annex 3.8.3 thereto, including the relevant payment methods, also in compensation for the cost reductions deriving from the activities described above, in accordance with article 15.1 of the Service Contract.

Due to the introduction, during experimentation of the Eco-island Collection System, of ARERA Resolutions 443/2019/rif and 363/2021/rif containing the new method for determining tariffs, the Additional Deed provides for appropriate mechanisms to rebalance the economic-financial equilibrium of the concessionary relationship in the event that, for reasons directly or indirectly attributable to the Grantor, the valuation of the fee implemented pursuant to the aforementioned resolutions (**MTR Fee**) leads to the remuneration of the Service Contract activities for an amount lower than that resulting from the application of the Service Contract as amended by the Definitive Agreement and the subsequent Additional Deed.

2. PURPOSES OF THE OPINION

The Committee, after having fully assessed the Transaction and its reasons, also taking into account the preliminary investigation already carried out in 2018 with reference to the Definitive Agreement, is called upon to express a binding reasoned opinion on the Company's interest in carrying out the Transaction, as well as on the convenience and substantial correctness of the related conditions, in accordance with the provisions of article 10, letter (d) of the Procedure.

The Transaction is treated as a transaction of major significance in that it complements the previous transaction of major significance consisting of the stipulation of the Definitive Agreement.

3. THE PREPARATORY ACTIVITIES CARRIED OUT BY THE COMMITTEE

In view of the stipulation of the Additional Deed, in compliance with the provisions of article 10, letter (b) of the Procedure, the Committee has been kept constantly informed about the discussions with the Municipality's officials, within the framework of the joint working table established in the meantime, for the purpose of defining the text of the Additional Deed and the related annexes to be submitted to the Committee for its investigation.

In order to support the Company in its dealings with the Municipality relating to the drafting and signing of the Additional Deed, the Company resolved to engage the assistance of the EY Tax Law Firm (**SLT**) as legal advisor of its choice (**Legal Advisor**).

On 13 September 2021, the Committee met for an initial briefing regarding the Supplementary Agreement.

More specifically, at the meeting of 13 September 2021, which was also attended by the Chair of the Board of Statutory Auditors, the Committee was briefed on the

characteristics of the Additional Deed, on the macro-characteristics of the Transaction, and on the reasons of interest and convenience for the IREN Group and AMIAT underlying the signing of the Additional Deed and the conclusion of the Transaction.

On 10 September 2021, with a view to the meeting of 13 September 2021, the Committee was provided with all the documents prepared by the Company, with the support of the Legal Advisor (in particular the draft Additional Deed, together with part of the related annexes), in the version discussed at the joint working table.

The Committee also received all the documents relating to the exchange of views between AMIAT and the CoT regarding the experimentation of the Eco-island Collection System in place of the door-to-door waste collection system and the subsequent extension of the Eco-island Collection System to all neighbourhoods in the city of Turin where such an extension is feasible.

At the subsequent meeting, held today, the Committee was informed of the latest observations made by the Municipality regarding the structure of the Additional Deed, which management and the Legal Advisor, to the extent of their competence, considered to be of a non-substantial nature compared to the initial approach submitted to the Committee.

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For the purposes of issuing this opinion in relation to the Transaction, in addition to 13 September, the Committee met on 21 September 2021, with the participation of the majority of its members, as well as the Chair of the Board of Statutory Auditors and a Standing Auditor.

The Committee requested certain clarifications and acquired the relevant considerations from the Company's internal structures and from the Legal Advisor.

The Committee confirms that it has received a complete and exhaustive flow of information and documentation from the corporate structures during this preliminary phase relating to the conclusion of the Additional Deed, as well as exhaustive and timely replies to its requests.

4. ANALYSES CARRIED OUT AND CONSEQUENT EVALUATIONS

In order to be able to express its reasoned opinion in favour of the Transaction, the Committee analysed, also with the help of the Company's internal structures and the Legal Advisor, the structure of the Additional Deed and the related annexes for the purposes of carrying out the Transaction.

In particular, as highlighted by the Company's internal structures, the gradual replacement of the door-to-door waste collection service envisaged in the Service Contract and the Definitive Agreement with the Eco-island Collection System presents various advantages from an operational point of view, mainly due to the following aspects:

- Improvement in the percentage of separate collection compared to the condominium door-to-door system (in the second half of 2020: %RD average door-to-door system < 60%; %RD average Eco-island Collection System > 65%);
- Improvement in working conditions for collection staff, reducing fatigue and, consequently, the incidence of non-qualification;
- Efficiency of the service, with a reduction in the overall number of vehicles and drivers employed;
- Computerisation of the service, resulting in greater flexibility (filling sensors, ...) and the possibility of monitoring user behaviour;

- Preparation for the application of accurate tariffs, which is not feasible with the condominium door-to-door system (except by grouping by condominium instead of by individual users);
- Increase in net invested capital and reduction in operating costs; in accordance with the tariff methodology defined by ARERA, this will allow both a reduction in the Final Fee and higher remuneration.

The main benefits for users consist of the following:

- No need to display the containers according to the pre-established schedule, which saves money (in condominium without a concierge, a cooperative is usually commissioned) and increases flexibility;
- Non-occupation of condominium space.

From an operational point of view, AMIAT has activated various initiatives to inform/educate citizens on the correct use of the system and to counteract incorrect behaviour (e.g. waste abandonment, a phenomenon that is also present with the door-to-door collection system outsourced, where there is a lack of condominium spaces);

- Introduction of the figure of the Environmental Controller, with the task of monitoring the territory, raising awareness among users (domestic and non-domestic) and – in the final instance – collecting the elements for the subsequent administrative sanction (from 35 in the first half of 2020 to approximately 150 in the first half of 2021);
- Camera installation and management;
- Periodic meetings with the Circumscriptions concerned, both in the planning/launch phase of the system, and in the management phase during commissions open to citizens as well (also to optimize the service according to its effective use, such as: relocation and/or strengthening of eco-islands, increase in the frequency of collection, introduction of ad hoc solutions such as the use of a large door in the case of commercial users with large waste production and/or the establishment of dedicated collections);
- Strengthening of daily collection (in some cases, also in the morning and afternoon) of abandoned items, with the use of dedicated trucks;
- Simplification of eco-card distribution, in the start-up phase with door-to-door delivery and, subsequently, at eco-counters and/or with mailing, upon request to the contact centre (N.B. to date, more than 1,500 cards have been provided to users not registered in the TARI database, with a positive contribution to countering against evasion/avoidance).

These initiatives will be gradually integrated and extended as the project progresses.

According to as further explained by the Legal Advisor: (i) the Additional Deed is in line with the provisions regarding the stipulation of amending deeds to existing contracts pursuant to article 175 of the Public Contracts Code, *ratione temporis* applicable in accordance with the provisions of ANAC Resolution no. 388 of 12 April 2017; (ii) the revision of the Work Plan by extending the Eco-island Collection System to the entire territory served by the Service Contract in place of the door-to-door collection system results in savings in operating costs such as to enable the Company to guarantee the revision of the fees pursuant to article 15.1 of the Service Contract, the Definitive

Agreement and the relevant Annex 3.8.3, as further outlined in the Additional Deed; (iii) the Additional Deed Agreement provides for appropriate mechanisms to rebalance the concessionary relationship in the event that, for reasons directly or indirectly attributable to the Grantor, the valuation of the MTR Fee leads to the remuneration of the activities of the Service Contract for an amount lower than that deriving from the application of the Service Contract as amended by the Definitive Agreement and the subsequent Additional Deed.

The structure of the negotiating structure and the reasons underlying it lead the Committee to evaluate the Transaction as a whole, as proposed, and to express its opinion:

- from the point of view of the interest in carrying it out, ascertaining its compliance with a positive prospective evaluation, its functionality in relation to the objectives pursued, its suitability for carrying out the extension of the Eco-island Collection System to replace the door-to-door waste collection system and, with reference to the new industrial initiatives to be launched and the revision of the current Service Contract, its compliance with the corporate purposes and strategic objectives of the companies directly involved;
- from the point of view of its convenience, verifying the overall reasonableness and cost-effectiveness of the conditions for both Iren and AMIAT with reference to the returns expected from the contractual amendments as a whole, since it is not possible to carry out an examination with reference to the market values of the individual actions envisaged;
- from the point of view of the substantive correctness of its conditions, with particular regard to (i) the regulatory framework of the Additional Deed within the framework of the rules contained in the Public Contracts Code *ratione temporis* applicable in accordance with the provisions of ANAC Resolution no. 388 of 12 April 2017; (ii) the application in particular of the provision of article 175, paragraph 1 - letter a) of the Italian Public Contracts Code, according to which it is allowed to amend the concessions during the period of effectiveness without a new awarding procedure in the event the amendment has been expressly provided for in the initial tender documents, as long as such provision is contained in clear, precise and unequivocal clauses setting forth "*the scope, the nature of any amendments, as well as the conditions under which they may be used*"; (iii) the signing of the Additional Deed as part of the ordinary three-year review procedure of the payment methods of the fees in accordance with article 15.1 of the Service Contract, as amended and integrated by the subsequent Definitive Agreement and the relevant Annex 3.8.3.

5. CONCLUSIONS

The Committee,

- (a) having been promptly and constantly informed about the discussions with the Municipality,
- (b) having examined all the documentation made available to it and the clarifications provided during the course of the investigation,
- (c) having verified the existence of the interest in carrying out the Transaction of the company involved, individually, and of the IREN Group as a whole, as well as the existence of the requirements of convenience and substantial correctness


prescribed by article 8, paragraph 1, letter c), of the Consob Regulation and by article 10, letter (d) of the Procedure,

unanimously, issues its internal favourable opinion for the signing of the Supplementary Agreement and related annexes pursuant to article 10, letter (d), of the current Regulation.

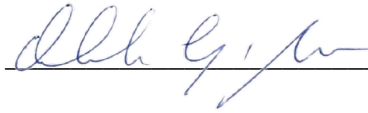
21 September 2021

The Related Party Transactions Committee of IREN S.p.A.

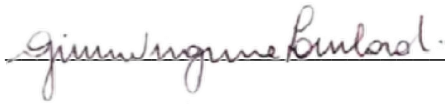
Licia Soncini (Chair)



Alessandro Giglio



Ginevra Virginia Lombardi



Lawyer Giacomo Malmesi (*for acknowledgement*)

