

Preliminary agreement between certain companies in the Iren Group, AMIAT – Azienda Multiservizi Igiene Ambientale Torino S.p.A., Iren Energia S.p.A., Iren Mercato S.p.A., and the Municipality of Turin

Reggio Emilia, 29 March 2018

PREAMBLE

On 20 February 2018 the Board of Directors of Iren S.p.A. subsequently to the favorable opinion of the Related party transaction committee, approved a proposal, to be submitted to the Municipality of Turin, for a preliminary agreement between Iren S.p.A., in its capacity as agent with special powers to represent its subsidiaries AMIAT – Azienda Multiservizi Igiene Ambientale Torino S.p.A., Iren Energia S.p.A. and Iren Mercato S.p.A., on the one hand, and the City of Turin, on the other hand, for the entering into of a subsequent agreement aimed at regulating certain relations between the parties. The management body of each subsidiary, based on the resolutions adopted by the parent company, resolved on 5 March 2018 to proceed with the necessary and appropriate activities in order to arrive at a preliminary agreement with the city of Turin, assigning specific mandate to Iren S.p.A..

The Board of Directors of Iren SpA, in approving the aforementioned proposal, has conferred a mandate to the Chief Executive Officer for the completion of all the deeds necessary for the conclusion of the transaction, including the signing of the aforementioned preliminary agreement and the deeds to the same inherent and consequent, attributing to the same Chief Executive Officer the power to make any non-substantial changes to the text that may be necessary during the optimization phase.

The preliminary agreement proposal has been submitted to the Municipality of Turin which, through the resolution resolved upon by the Municipal Committee on 27 March 2018, has approved the substantial contents of the Mayor to undersign it.

The presence in the text approved by the Municipality of some minor clarifications and amendments with respect to that approved by the Board of Directors of Iren SpA, entailed their examination, so that the completion of their approval process, with the necessary involvement of the Related Parties Committee, was concluded the 28th March 2017, confirming the non-material nature of the amendments made.

COMPANIES INVOLVED

- **AMIAT – Azienda Multiservizi Igiene Ambientale Torino S.p.A.** (“AMIAT”): a company indirectly controlled by Iren S.p.A., through Iren Ambiente S.p.A. and AMIAT V S.p.A., holding a stake of 80%.

[Gruppo Iren](#)

[Pictures](#)

[Investor Relations area](#)

[Iren Overview](#)

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations
Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners
Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it



iren

PRESS RELEASE

- **Iren Energia S.p.A.** (“Iren Energia”): a company controlled 100% directly by Iren S.p.A..
- **Iren Mercato S.p.A.** (“Iren Mercato”): a company controlled 100% directly by Iren S.p.A..
- **Iren S.p.A.** (“Iren”), which is taking part in the agreement as agent of its subsidiaries, from which it has received appropriate mandate.

2

RELATED PARTY WITH WHICH IT IS INTENDED TO SET UP THE OPERATION AND NATURE OF THE RELATIONSHIP

The related party in the proposed operation is the Municipality of Turin, which holds, through the company controlled jointly with the Municipality of Genoa, Finanziaria Sviluppo Utilities S.r.l. (itself held by FCT Holding S.p.A., its sole shareholder) a stake of 33.3013% of the share capital of Iren S.p.A., represented by 424,999,233 ordinary shares subject to a shareholders’ agreement entered into on 9 May 2016, as updated further to the conversion of savings shares starting from 11 January 2018.

MAIN TERMS OF THE OPERATION

The preliminary agreement between Iren, also as agent of the aforementioned group companies, and the Municipality of Turin contains the essential elements, terms and conditions that will be reflected in the subsequent definitive agreement which, completely and definitely will regulate, the gradual repayment of the outstanding debts of the Municipality of Turin payable to each of the indicated Iren Group companies, with the prompt settlement of the outstanding items currently contested or lacking agreed interpretation, and with the review and recalculation of a number of the obligations provided for in the contractual relations in force.

The operation, as a whole, forms part of a number of contractual relationships in force between the Municipality of Turin and the indicated group companies; specifically:

- a) AMIAT, to which the Municipality of Turin has assigned, on licence, integrated urban waste management and winter mobility services, as well as services and works relating to the post-operational management of the controlled landfill site of Basse di Stura and other services connected with, and/or ancillary to, the aforementioned services;
- b) Iren Energia (further to, and by the effects of, extraordinary operations) to which the Municipality of Turin has assigned public lighting and traffic light services, as well as the management of the heating and electrical systems of municipally-owned buildings used for services for the community;

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations
Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners
Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it



iren

PRESS RELEASE

c) Iren Mercato, which currently exclusively supplies thermal energy for district heating to the Municipality of Turin, but which previously supplied to the same Municipality electricity for public lighting and traffics lights.

The operation in question, moreover, is an updating of a series of contracts undersigned between 2012 and 2015 and, more specifically, of the agreement entered into in 2012 by Iren (also in the name and on behalf of Iride Servizi S.p.A., now Iren Energia, and of Iren Mercato) with the Municipality of Turin for purposes similar to the current ones and envisages the setting up of projects in relation to the services already provided.

The entering into of the agreement on the part of Iren (acting as agent of the indicated group companies) has been considered as a significant operation according to art. 4, paragraph 1, letter a) of the Regulations bearing provisions relating to operations with related parties adopted by Consob with resolution no. 17221 of 12 March 2010, as amended, since the value of the transaction amount exceeds 5% of the capitalization of Iren S.p.A.

Since this is an operation with related parties considered as material, said operation is subject to preliminary review with the involvement of the Related-Party Transactions Committee. On 20 February 2018, the Board of Directors of Iren, subject to the favourable opinion of the related Party Transactions Committee in accordance with the aforementioned regulations, unanimously approved the draft of the preliminary agreement proposal to be submitted to the Municipality, conferring mandate for its subscription to the CEO, attributing to the latter the power to provide the text with any non-substantial changes that may be necessary during the optimization phase.

As stated in the preamble, the presence in the text approved by the Municipality of some minor clarifications and amendments with respect to that approved by the Board of Directors of Iren SpA, entailed their examination and the completion of their approval process, with the necessary involvement of the Committee Related parties, ended March 28, 2018 ascertaining the non-substantial nature of the clarifications / changes introduced.

For more information on the operation and on the preparatory preliminary agreement, please refer to the disclosure document that will be published and filed according to the law.

Investor Relations

Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations

Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners

Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it