FIRST SUPPLEMENT DATED 27 JANUARY 2021
TO THE BASE PROSPECTUS DATED 20 OCTOBER 2020

(Incorporated with limited liability in the Republic of Italy)

€6,500,000,000 Euro Medium Term Note Programme

This first supplement (the **First Supplement**) to the Base Prospectus dated 20 October 2020 (the **Base Prospectus**), constitutes a supplement prepared pursuant to Article 23(1) of Regulation (EU) 2017/1129 (the **Prospectus Regulation**) and is prepared in connection with the €6,500,000,000 Euro Medium Term Note Programme (the **Programme**) established by Italgas S.p.A. (**Italgas** or the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this First Supplement.

This First Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

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

With effect from the date of this First Supplement, the information set out in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented, as the case may be, in the manner described below.

PURPOSE OF THE FIRST SUPPLEMENT

The purpose of this First Supplement is to (a) update the front and cover pages of the Base Prospectus; (b) update the "*Important Information*" section of the Base Prospectus; (c) update the "*General Description of the Programme*" section of the Base Prospectus; (d) update the disclosure in the "*Risk Factors*" section of the Base Prospectus to reflect certain recent developments; (e) update the "*Form of Final Terms*" section of the Base Prospectus; (f) update the disclosure in the "*Description of the*

Issuer" section of the Base Prospectus to reflect certain recent developments; (g) update the disclosure in the "*Regulatory and Legislative Framework*" section of the Base Prospectus to reflect certain recent developments; (h) update the disclosure in the "*Taxation*" section of the Base Prospectus to reflect certain recent developments and (i) update the disclosure in the "*Subscription and Sale*" section of the Base Prospectus.

a) FRONT AND COVER PAGES

(i) On page 2 of the Base Prospectus, the second paragraph shall be deleted in its entirety and replaced as follows:

"The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) of the Prospectus Regulation.".

(ii) On page 2 of the Base Prospectus, the second last paragraph shall be deleted in its entirety and replaced as follows:

*"The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**), and included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation, will be disclosed in the Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "Risks related to the market generally" in the "Risk Factors" section of this Base Prospectus."*.

(iii) On page 2 of the Base Prospectus, after the second last paragraph, the following paragraph shall be added:

*"The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the United Kingdom and registered under the CRA Regulation, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**), will be disclosed in the Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "Risks related to the market generally" in the "Risk Factors" section of this Base Prospectus."*.

(iv) On page 2 of the Base Prospectus, the last paragraph shall be deleted in its entirety and replaced as follows:

"*Amounts payable under the Notes may be calculated by reference, inter alia, to EURIBOR, which is provided by the European Money Markets Institute, or to LIBOR, which is provided by ICE Benchmark Administration Limited, as specified in the relevant Final Terms. As at the date of the First Supplement, the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 (the **Benchmarks Regulation**), while ICE Benchmark Administration Limited is not included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions of Article 51 of the Benchmarks Regulation apply, such that ICE Benchmark Administration Limited is currently not required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)."*.

b) IMPORTANT INFORMATION

(i) On page 4 of the Base Prospectus the first paragraph shall be deleted in its entirety and replaced as follows:

"*This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. For the avoidance of doubt, when used in this Base Prospectus, references to "**Prospectus Regulation**" means Regulation (EU) 2017/1129 and "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**).".*

(ii) On page 5 of the Base Prospectus, the fourth and fifth paragraphs shall be deleted in their entirety and replaced as follows:

"*This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the EEA (each, an "**EU Member State**") or the UK will be made pursuant to an exemption under the Prospectus Regulation or the Financial Services and Markets Act 2000 (the "**FSMA**"), respectively, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in an EU Member State or the UK of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus pursuant to the Prospectus Regulation, the FSMA and/or the UK Prospectus Regulation (as applicable), in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor does it authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer."*

***"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 EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (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; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation. 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.".*

(iii) On page 6 of the Base Prospectus, the following paragraph shall be added after the paragraph headed "*Important – EEA and UK Retail Investors*":

"***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 UK. For these purposes, a retail investor means a person who is one (or more) of: (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 EUWA; (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 domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. 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.".

(iv) On page 6 of the Base Prospectus, the following paragraph shall be added after the paragraph headed "*MIFID II* Product *Governance / Target Market*":

*"**UK MiFIR product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" 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 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 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 UK MiFIR Product Governance Rules.".

c) GENERAL DESCRIPTION OF THE PROGRAMME

(i) On page 13 of the Base Prospectus, the first paragraph of the sub-section entitled "*Rating*" shall be deleted in its entirety and replaced as follows:

"Rating:

The rating of certain Series of the Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) or by a credit rating agency established in the United Kingdom and registered under the CRA Regulation, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**), will be disclosed in the Final Terms.

d) RISK FACTORS

The section of the Base Prospectus entitled "Risk Factors" shall be updated as follows:

(i) On page 16 of the Base Prospectus, in the sub-section entitled "*Market and competition risks. Risks associated with the expiration and renewal of gas distribution concessions*", the fifth paragraph shall be deleted in its entirety and replaced with the following:

"*As at the date of the First Supplement, only 34 invitations have been published for a total of 35 ATEMs (Cremona 2 and Cremona 3 were grouped together), of which two were withdrawn, two others have been annulled by a judicial decision (Venezia 1 and Alessandria 2) and seven were suspended by the contracting authority. Submissions by operators for seven tenders: Udine 2, Torino 2, Milano 1 (awarded to Unareti S.p.A.), Torino 1, Napoli 1, Valle d'Aosta and Belluno (Torino 2, Valle D'Aosta and Belluno have been awarded to Italgas Reti S.p.A. ("**Italgas Reti**")) and three pre-qualifications requests (Perugia 2, Udine 1 and Udine 3) have instead occurred. For a further eleven invitations to tender, the bid submission dates, or rather the pre-qualification request dates, were postponed. Finally, the Region of Calabria has appointed commissioners ad acta, in order to start the tenders in two ATEMs (Cosenza 1 and Reggio Calabria – Vibo Valentia).*"

(ii) On page 17 of the Base Prospectus, the sub-section entitled "*Risks associated with the execution of Italgas's strategic plan*" shall be deleted in its entirety and replaced with the following:

*"On 29 October 2020, the Board of Directors of Italgas approved a new strategic plan defining the guidelines and the targets of the Italgas Group for the 2020-2026 period (the **Italgas Strategic Plan**) updating the strategy announced at the time of the previous strategic plan (2019-2025).*

The Italgas Strategic Plan contains, and was drawn up on the basis of, hypotheses and estimates relating to future developments and events that could affect Italgas Reti and its subsidiaries' operating sectors, such as estimates concerning the demand for natural gas in Italy in the medium to long term or changes to the applicable regulations, or the timetable for future tender processes for gas distribution concessions in the various minimum geographical areas.

The Italgas Strategic Plan is the result of a simulation process forecasting the economic, capital, and financial parameters for the Italgas Group and was constructed on the basis of actual data as of 31 December2019.

The Italgas Strategic Plan provides for objectives identified on the basis of substantial continuity in the existing regulatory environment and of the unfolding of the effects of management actions (the ***Forecast Data****).*

The Forecast Data is based on assumptions as to the occurrence of a set of future events and actions that include, among other things, general and hypothetical assumptions concerning future events – subject to the risks and uncertainties that characterize the current macroeconomic environment – actions that will not necessarily take place and events or other factors that may have an impact on the performance of the major capital and economic figures of the Italgas Group, and which the directors of Italgas (the ***Directors****) and the management of Italgas cannot influence or may only be able to do so partially (in combination, the* ***Hypothetical Assumptions****).*

In particular, these Hypothetical Assumptions envision the following, among other things:

(i) the success of the transactions for the financing of new debt requirements or refinancing of debt that will expire, including its planned subsequent listed bond issues;

(ii) the effectiveness of the timetable for future tenders for the awarding of the gas distribution service in the various ATEMs envisioned by the management of Italgas. The timetable provides for completion of the tender processes by the end of 2025;

(iii) fulfillment of the success rate envisioned by the management of Italgas in relation to future tenders for the awarding of the gas distribution service in the various ATEMs in which the Italgas Group plans to participate;

*(iv) the representative character of the RAB (****Regulatory Asset Base****) value as an estimator of the Reimbursement Value recognized for outgoing operators within the scope of future tenders for the awarding of the gas distribution service in the various ATEMs for each of the concessions in the Italgas Group's scope of interest in the plan period; and*

(v) realization of the estimates concerning the demand for natural gas in Italy in the medium to long term or changes in the applicable rules.

Furthermore, the assumptions relating to changes in the macroeconomic and regulatory environment and to the dynamics of the benchmark rates underlying the Italgas Strategic Plan were formulated in working out the currently available forecasts. It is also noted that the Italgas Strategic Plan was developed by referencing the current competitive structure.

For the period of 2020-2026, the Italgas Strategic Plan has scheduled overall investments of Euro 7.5 billion (compared to the Euro 6.4 billion envisaged in the previous 2019-2025 plan), of which about Euro 2 billion related to tenders and about Euro 5.5 billion without considering tenders.

Out of the 5.5 billion above, about Euro 0.6 billion are referred to merger and acquisition initiatives in the gas distribution sector and new business opportunities, while about Euro 4.9 billion are related to 2019 gas distribution base perimeter, of which about 0.4 billion is allocated to Sardinia project, 3.1 billion refers to other networks and 1.1 billion is aimed at digitalization (including smart metering).

*The Italgas Strategic Plan assumes the existence of conditions for market share growth from the initial approximately 35% to almost 45%, at the end of the Local Tender Processes, in terms of the number of Redelivery Points (**RP**) of the consolidated perimeter of the Italgas Group (considering the full consolidation of Toscana Energia), corresponding to about 9.8 million RPs managed, compared to about 7.6 million of the starting base of the plan.*

The technical investments plan for the current scope of operations, in conjunction with the planned program of acquisition of new concessions, is intended to support the RAB growth to a targeted CAGR of around 6% in the plan period, starting from Euro 7.4 billion at the end of 2019 (in the absence of tenders, the estimated average annual growth rate of RAB is 4%). In view of the delay that could affect timetable of Local Tender Processes, Italgas has taken and could continue to pursue M&A opportunities, with a strict financial discipline, in order to anticipate tenders timing and enlarge and optimize concession portfolio, increasing competitiveness in tender process.

Should the market share growth objectives indicated in the Italgas Strategic Plan not be met, the Issuer will continue with its own programme of organic investments and the efficient operation of distribution and measuring activities.

If the events and circumstances envisaged or relied upon by the Board of Directors when drawing up the strategic plan, including the evolution of the regulatory framework, fail to materialise, the future operations, cash flow and results of the Italgas Group may differ from those set out in the Italgas Strategic Plan; that could also have an impact on the ability of Italgas to meet its payment obligations in accordance with the loan agreements and/or to comply with any covenants under the actual agreements.

Furthermore, the historical consolidated results and the historical financial and operating situation may not be indicative of future financial and operating performance. There can be no guarantee whatsoever that, in the future, Italgas Reti and its subsidiaries' profitability will remain at current levels, or that the regulatory system will not evolve in a manner that is unfavourable to the Italgas Group."

(iii) On page 20 of the Base Prospectus, in the sub-section entitled "*Risks associated with the plan for the replacement of traditional meters with smart meters*", the following sentence shall be inserted after the sentence beginning "*The replacement plan was updated…*" in the second paragraph:

"*However, due to Covid-19 pandemic, with Resolution 501/2020, ARERA postponed the 85% goal to 2021*."

(iv) On page 25 of the Base Prospectus, in the sub-section entitled "*Risks associated with the energy efficiency certificates market*", the following paragraph shall be inserted after the paragraph beginning "*ARERA, with Resolution 270/2020/R/efr of 14 July 2020…":*

"*Italgas started a proceeding before TAR Lombardia (Milan) against such resolution, as well as Resolution 550/2020 which set a unitary tariff contribution to €254.49/EEC for the obligation year 2019. This is because both resolutions, following the cancelled Resolution 487/2018, impose new losses on DSOs."*

(v) On page 25 of the Base Prospectus, in the sub-section entitled "*Risks associated with the energy efficiency certificates market*", the following sentences: "*The total obligation of the Italgas Group for the obligation year 2019 (which has begun on 1 June 2019 and will end only for the current year in 22 July 2020; it has been postponed due to the initiatives taken by the Italian Government during the COVID-19 pandemic) is equal to 948,473 EECs. Following the incorporation of EGN Distribuzione S.r.l., in August 2019, the total obligation of the Italgas Group for the obligation year 2019 is increased of 4,157 EEC for a total of 952,630 EEC. The total obligation of the Italgas Group for the obligation year 2020 is equal to 1,073,333 EECs."* shall be deleted and replaced with the following:

"*During 2020, Seaside concluded negotiations with the main counterparty, able to cover the potential refund request from GSE. The total obligation of the Italgas Group for the obligation year 2019 (which began on 1 June 2019 and ended on 30 November 2020) amounted to 948,473 EECs; the standard duration of the obligation year has been postponed due to the initiatives taken by the Italian Government during the COVID-19 pandemic. Following the incorporation of EGN Distribuzione S.r.l., in August 2019, the total obligation of the Italgas Group for the obligation year 2019 is increased of 4,157 EECs for a total of 952,630 EECs.*

With the publication of the Resolution no. 550/2020/R/efr ARERA has set the tariff contribution for the obligation year 2019. It is equal to €254,49 EEC and has been determined as the sum of the unit tariff contribution equal to the cap of €250,00 EEC and of an additional contribution unit equal to €4,49 EEC as defined in the Resolution 270/2020.

The total obligation of the Italgas Group for the obligation year 2020 is equal to 1,073,333 EECs (the obligation year has begun on 1 December 2020 and will end on 31 May 2021).".

(vi) On page 29 of the Base Prospectus, in the sub-section "Risks associated with the rating of the Issuer" the first and second paragraphs shall be deleted in their entirety and replaced as follows:

*"As at the date of the First Supplement, the Issuer's long-term rating is "BBB+ - stable outlook" by Fitch Ratings Ireland Limited (**Fitch**) and "Baa2 - stable outlook" by Moody's France SAS (**Moody's**), endorsed by Moody's Investors Service Ltd, (each a **Rating Agency** and together the **Rating Agencies**). On 30 April 2020, notwithstanding the downgrading announced on 28 April 2020 by Fitch of Italian government bond to BBB with stable outlook from BBB with negative outlook, the rating agency has also confirmed Italgas S.p.A. Long-Term Issuer Default Rating (IDR) at BBB+ with stable outlook.*

As at the date of the First Supplement, Fitch and Moody's are established in the European Union and registered under the CRA Regulation and included in the list of credit rating agencies published by ESMA on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. 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.".

(vii) On page 36 of the Base Prospectus, the first two paragraphs of the risk factor entitled "*The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks""*" in the category headed "*1. Risks related to the structure of a particular issue of Notes which may be issued under the Programme*" shall be deleted in its entirety and replaced as follows:

"Interest rates and indices which are deemed to be "benchmarks" (including, without limitation, EURIBOR, LIBOR, CMS Rate, Constant Maturity BTP Rate, CPI - ITL and HICP) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and 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, it (i) 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 (ii) prevent 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). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**"), among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).*

The Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation and/or the UK 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".

*On 27 July 2017, and in a subsequent speech on 12 July 2018, the Chief Executive of the United Kingdom Financial Conduct Authority (the "**FCA**"), which regulates LIBOR, confirmed that it would no longer persuade or compel, panel banks to submit rates for the calculation of LIBOR after 2021. On 4 December 2020, ICE Benchmark Administration, the FCA-regulated and authorised administrator of LIBOR, published its consultation on its intention to cease the publication of various LIBOR settings, including proposing the cessation of (i) all GBP, euro, CHF and JPY LIBOR settings, and the 1-Week and 2-Month U.S. dollar LIBOR settings after 31 December 2021 and (ii) the Overnight and 1, 3, 6 and 12-month U.S. dollar LIBOR settings after 30 June 2023.".*

(viii) On page 40 of the Base Prospectus, the second paragraph of the risk factor entitled "*Credit ratings* assigned *to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes"* in the category headed "3. Risks related to the market" shall be deleted in its entirety and replaced as follows:

"In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances whilst the registration application is pending). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus and if a Tranche of Notes is rated such rating will be disclosed in the applicable Final Terms.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK-registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation, in each case subject to (i) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (ii) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time,

transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the relevant rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK (as applicable) and the Notes may have a different regulatory treatment. This may result in such regulated investors selling the Notes which may impact the value of the Notes and their liquidity in any secondary market.".

e) FORM OF FINAL TERMS

(i) On page 48, the section of the Base Prospectus entitled "*Form of Final terms*" shall be updated as follows:

a. the first paragraph headed "*PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS*" shall be deleted in its entirety and replaced, together with the accompanying legend, as follows:

"[***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: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129. 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.]*"[1].

b. the following paragraph shall be added together with the accompanying legend, after the first paragraph headed "*PROHIBITION OF SALES TO EEA RETAIL INVESTORS*":

*"[**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 ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (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 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement [Directive (EU) 2016/97][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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 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.]"*[2].

[1] Legend to be included if the Notes potentially constitute "packaged" products and no key information document is prepared or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the legend should be included.

[2] Legend to be included if the Notes potentially constitute "packaged" products and no key information document or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the legend should be included.

c. the following paragraph shall be added together with the accompanying legend, after the paragraph headed "*MIFID II product governance / Professional investors and ECPs only target market*":

*"**[UK MIFIR product governance / Professional investors and ECPs only 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 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market][3]. 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 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]/[Consider any relevant amendments based on the determination for each issue of Notes]]"*[4].

(ii) On page 62 of the Base Prospectus, the section headed "2. Ratings" under "Part 2- Other information" shall be deleted in its entirety and replaced as follows:

2. RATINGS

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*].] (*Include brief explanation of rating if available*) [[*Insert credit rating agency*] is established in the European Union and is registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").] [[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").] [[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EC) No

[4] The reference to the UK MiFIR product governance legend may not be necessary if the managers in relation to the Notes are also not subject to UK MiFIR and therefore there are no UK MiFIR manufacturers. Depending on the location of the manufacturers, there may be situations where either the MiFID II product governance legend or the UK MiFIR product governance legend or both are included.

1060/2009 (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**") but the rating issued by it is endorsed by [*insert endorsing credit rating agency*] which is established in the European Union and [is registered under the CRA Regulation] [has applied for registration under the CRA Regulation, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority].]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**") but is certified in accordance with the CRA Regulation.]

[[*Insert Credit Rating Agency*] is not established in the European Union and is not certified under Regulation (EC) No. 1060/2009 (the "**CRA Regulation**") and the rating given by it is not endorsed by a Credit Rating Agency established in the European Union and registered under the CRA Regulation.]

[[*Insert legal name of particular credit rating agency entity providing rating*] is established in the [United Kingdom]/[*insert*] and is [registered with the Financial Conduct Authority in accordance with] / [the rating it has given to the Notes is endorsed by [*UK-based credit rating agency*] registered with the FCA in accordance with] / [certified under] [Regulation (EC) No. 1060/2009 (the "**CRA Regulation**") as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")]]][5]

f) DESCRIPTION OF THE ISSUER

The section of the Base Prospectus entitled "*Description of the Issuer*" shall be updated as follows:

[5] Insert the relevant clause for Notes which are admitted to trading on the UK regulated market and which have been assigned a rating.

(i) On page 119 of the Base Prospectus, in the Sub-section entitled "*Group Structure*", the following shall be inserted as last paragraph:

"On January 2021, the process of merger by incorporation of Toscana Energia Green S.p.A. into Seaside has started and is expected to be completed by the end of April 2021.".

(ii) On page 122 of the Base Prospectus, in the sub-section entitled "*Gas Distribution Concessions*", in the fourth paragraph of the page the date "*31 December 2017*" shall be deleted and replaced with "31 *December 2019*".

(iii) On page 126 of the Base Prospectus, in the sub-section entitled "*Material Litigation –Criminal Proceedings*", under the heading "*Rome incident, Via Parlatore*", the last sentence of the second paragraph shall be deleted and replaced with the following:

"*Following that hearing, the G.I.P. dismissed the Public Prosecutor's motion and requested the same Prosecutor should file charges* (*capi di imputazione)* against *the suspects.*".

(iv) On page 127 of the Base Prospectus, in the sub-section entitled "*Material Litigation –Criminal Proceedings*", under the heading "*Rocca di Papa Event*", the following sentence shall be inserted at the end of the paragraph:

"*During that hearing, the probative objection (incidente probatorio) took place. As at the date of the First Supplement, the Public Prosecutor is continuing the investigations.*".

(v) On page 127 of the Base Prospectus, in the sub-section entitled "*Material Litigation – Other Proceedings*", under the heading "*Comune di Venezia / Italgas Reti: Trib.Venezia*", the following sentence shall be inserted at the end of the paragraph:

"*and then to 29 December 2020. The written briefs have been filed and as at the date of the First Supplement the judge's decision for the admission of evidence is pending*.".

(vi) On page 127 of the Base Prospectus, in the sub-section entitled "*Material Litigation – Other Proceedings*", under the heading "*Publiservizi S.p.A. / Italgas S.p.A.: Trib. Firenze*", the following sentence shall be inserted at the end of the sentence beginning "*The first hearing, held on 14 January 2020 before the Court of Florence…":*

"*and lastly to 28 April 2021.*".

(vii) On page 128 of the Base Prospectus, in the sub-section entitled "*Material Litigation – Other Proceedings*", under the heading "*Italgas Reti S.p.A. / Comune di Roma: TAR Lazio (Rome)*" the following sentence shall be inserted after the sentence "*The hearing is scheduled for 15 December 2020.*":

"*By Order (ordinanza) no. 254/2021, published on 11 January 2021, the Supreme Civil Court (Corte Suprema di Cassazione) stayed that the competence on such litigation rests on a Civil Court*.".

(viii) On page 129 of the Base Prospectus, in the sub-section entitled "*Material Litigation – Other Proceedings*", under the heading "*Seaside S.r.l / GSE – TAR Lazio*", the following sentence shall be inserted at the end of the paragraph:

"*and then to 3 March 2021. At the same time, the reimbursement request has also arrived for the remaining 53 RVC and as at the date of the First Supplement, the Company is waiting the precautionary hearing (udienza cautelare) for all 55 RVC.".*

(ix) On page 129 of the Base Prospectus, in the sub-section entitled "*Material Litigation – Other Proceedings*", under the heading "*Italgas Reti S.p.A. / Comune di Cavallino-Treporti*", the last sentence shall be deleted in its entirety and replaced with the following:

"*The first hearing, scheduled on 17 December 2020, has been postponed to 1 April 2021 for the admission of evidence supporting parties' statements.*".

(x) On page 130 of the Base Prospectus, in the sub-section entitled "*Material Litigation – ARERA Proceedings*", under the heading "*Resolution no. 570/R/gas/2019*", the following sentence shall be inserted at the end of the last paragraph:

"*The first hearing has been scheduled for 27 January 2021. Prudentially, Italgas Reti appealed the 4 August 2020 ruling of the TAR Lombardia (Milan) on compliance for the hypothesis in which the ruling is interpreted as excluding the access to the relavant document, especially the internal ones. The next hearing has been scheduled for 18 March 2021.*".

(xi) On page 130 of the Base Prospectus, in the sub-section entitled "*Material Litigation – ARERA Proceedings*", the following paragraph shall be inserted after the last paragraph:

"***Resolution 270/2020/r/efr***

A court claim (ricorso giurisdizionale) was filed against ARERA Resolution 270/2020/R/efr before the TAR Lombardia (Milan), notified on 13 October 2020, challenging the legitimacy of various points, including the mere confirmation of obligation year 2018 tariff contribution (which was determined under Resolution 487/2018/R/efr, abolished by TAR Lombardia (Milan) ruling 2538/2019), the confirmation of Euro 250,0 unitary tariff cap (abolished by the same ruling), the inclusion of the prices of bilateral transactions in the calculation of the tariff contribution, the additional tariff contribution mechanism. The first hearing was held on 16 December 2020. During such hearing, only the issues relating to the violation of TAR Lombardia (Milan) ruling 2538/2019 were examined. As at the date of the First Supplement), the TAR Lombardia (Milan) decision is still to be published.".

(xii) On page 131 of the Base Prospectus, in the sub-section entitled "*Material Litigation – AGCM Proceedings*", under the heading "*Proceeding A 540 of 27 May 2020*", the last sentence shall be deleted in its entirety and replaced with the following:

"*On 1 October 2020, Italgas submitted a set of commitments that – if accepted and made binding by the AGCM – would bring to close the case without the ascertainment of the infringement or the imposition of a fine. AGCM, considering the measures proposed by Italgas not manifestly unfounded, on 20 October 2020 admitted the commitments to the market test, setting the deadline of 20 November 2020 for submitting observations. On 21 December 2020 Italgas Reti - in the light of the observations received during the market test - submitted an integrated version of the set of commitments, that as at the date of the First Supplement, is under scrutiny of the AGCM.*"

(xiii) On page 133 of the Base Prospectus, in the sub-section entitled "*Management, Statutory Auditors and Committees - Corporate Governance of the Issuer*", the following paragraph shall be inserted after the last paragraph:

"*On 31 January 2020 the Corporate Governance Committee published the new Corporate Governance Code (the **New Code**), applicable to companies with shares listed on the MTA division of Borsa Italiana as of the first financial year starting after 31 December 2020 informing the market in the report on corporate governance and ownership structures to be published during 2022.*
Therefore, on 18 December 2020 Italgas Board of Directors adhered to the New Code and has applied its recommendations from 1 January 2021.".

(xiv) On page 134 of the Base Prospectus, in the sub-section entitled "*Code of Ethics, Principles of the Internal Control, and Enterprise Risk Management system and the management system for the prevention and fight against corruption*", the last sentence of the last paragraph shall be deleted in its entirety and replaced with the following:

"*At the end of December 2020, all the companies of Italgas Group (Acqua S.p.A., Umbria Distribuzione Gas S.p.A., Metano Sant'Angelo Lodigiano S.p.A., Seaside S.r.l., Medea S.p.A., Toscana Energia S.p.A. and Gaxa S.p.A.) obtained the certification of their anticorruption management systems. In addition, the Issuer and its subsidiary Italgas Reti S.p.A. obtained the confirmation, for the third consecutive year, of the certification of their anticorruption management systems.*"

(xv) On page 140 of the Base prospectus, in the sub-section entitled "*Board of Directors – Committees*" – "*Control and Risk and Related-Party Transactions Committee*", the second paragraph shall be deleted in its entirety and replaced with the following:

"*It provides recommendations and advice to the Board of Directors by making suitable*

enquiries to support the Board of Director decisions and assessments concerning the internal control and risk management system, as well as those relating to the approval of financial and non-financial reports. In particular:

- *it evaluates, having consulted the Officer responsible for the preparation of financial reports, the Independent Auditing Firm and Board of Statutory Auditors, the proper use of accounting standards and their consistency for purposes of preparing the consolidated financial statements;*
- *it assesses the suitability (verifying that the preparation process is correct as a minimum) of the periodic financial and non-financial information, so that it correctly represents the company's business model, strategies, impact of its activities, and performance achieved, while coordinating with the Sustainability Committee;*
- *it examines the content of periodic non-financial reporting relevant to the internal control and risk management system;*
- *it carries out further tasks which are assigned by the Board of Directors with regard to transactions where directors and auditors have interests and related party transactions, under the terms and conditions indicated in the Italgas OPC Procedure[6];*
- *it supervises the activities of the Internal Audit department;*
- *it examines the periodic reports by the Supervisory Board, the independent auditing firm, the Officer responsible for the preparation of financial reports, and the Internal Audit department, regarding the assessment of the internal control and risk management system, as well as the reports drawn up by the Enterprise Risk Management department for identifying, assessing, managing and monitoring the main risks, as well as those of particular importance prepared by the Internal Audit Department;*
- *it expresses opinions on specific aspects involving the identification of the main risks to the Company;*
- *it monitors the independence, suitability, effectiveness and efficiency of the Internal Audit Department;*
- *it may ask the Internal Audit Manager to carry out inspections of specific operational areas, giving notice of this to the Chairman of the Board of Statutory Auditors, the Chairman of the Board of Directors and the Chief Executive Officer;*
- *it may make a request with the Internal Audit Manager for other audits not envisaged in the Audit Plan, where available resources allow;*
- *it reports to the Board of Directors, at least every six months, when the annual and interim*

[6] On 18 October 2016, the Board of Directors of Italgas defined the procedure for transactions with related parties, drawn up in accordance with the principles established by the OPC Regulation (i.e. regulation concerning the governance of Related Party transactions adopted by CONSOB through Resolution no. 17221 of 12 March 2010, as later amended and supplemented) and in Communication No. DEM/10078683 of 24 September 2010 (the Italgas OPC Procedure), deciding to subject it to the first meeting of the Control and Risk and Related Parties Transactions Committee so it could express its opinion within the meaning of the relevant legal and procedural provisions. On 14 December 2017, the Board of Directors, having received a favourable opinion from the Control and Risk and Related Party Transactions Committee, amended the Italgas OPC Procedure.

financial reports are approved, on the activities conducted, as well as on the adequacy of the internal control and risk management system; in any event, after Control and Risk and Related Party Transaction Committee meetings, it updates the Board of Directors, at the first meeting, regarding the subjects dealt with and any observations, recommendations and opinions formulated;

- *it expresses an opinion on the proposals made by the Chief Executive Officer, to the Board of Directors: (i) regarding the appointment, dismissal and remuneration of the Internal Audit Manager, in line with the Company's remuneration policies of Italgas; and (ii) which aim to ensure that this individual has the appropriate skills and resources with which to carry out his/her duties; the opinion concerning remuneration is expressed to the Board of Directors by the Control and Risk and Related Party Transactions Committee after hearing the opinion of the Appointments and Compensations Committee;*
- *it assesses the integrity, professionalism, expertise, independence and necessary experience of the Internal Audit Manager at the time of appointment, as well as any incompatibilities, including in terms of conflicts of interest, with previous activities or roles held at the Company and/or its Subsidiaries;*
- *it supports, making suitable enquiries, the assessments and decisions of the Board of Directors regarding the management of risks resulting from prejudicial events that have come to the knowledge of the Board of Directors or which the Control and Risk and Related Party Transactions Committee has brought to the attention of the Board of Directors;*
- *it supports the Board of Directors in assessing the advisability of adopting measures to guarantee the effectiveness and impartiality of the other company departments involved in the checks, ensuring that they have adequate professional skills and resources;*
- *it reports to the Board of Directors on the orientation review and progress monitoring of the Management System improvement programmes for preventing and combating corruption – activities which are coordinated and supervised by the department of Legal Compliance and Anti-Corruption Programmes.*
- *it expresses its opinion to the Board of Directors for:*
  - *(i) establishing the internal control and risk management system guidelines in line with the Company's strategies, after consulting the Board of Statutory Auditors;*
  - *(ii) proposing to the CEO any updates or adjustments to the internal control and risk management system guidelines or to the Internal Audit Guidelines, after consulting the Board of Statutory Auditors;*
  - *(iii) periodically evaluating, at least annually, when the financial statements for the year are approved, the adequacy and effectiveness of the internal control and risk management system with respect to the characteristics of Italgas and the risk profile it has adopted;*
  - *(iv) periodically approving, at least once a year, the audit schedule prepared by the Internal*

Audit Manager;

(v) describing, in the report on corporate governance and ownership structure (Relazione sul governo societario e gli assetti proprietari), the main features of the internal control and risk management system, as well as evaluating the adequacy of the system itself and the coordination procedures between the various individuals involved;

(vi) evaluating the conclusions presented by the Independent Auditors in any suggestion letters and in the report on key matters arising from the external audit;

(vii) appointing and revoking the members of the Supervisory Body;

(viii) ensuring the adoption of Model 231 and approval of all adjustments in line with current regulatory provisions;

(ix) reviewing the orientation and monitor the progress of the Management System improvement programmes for preventing and combating corruption – activities which are coordinated and supervised by the department of Legal Compliance and Anti-Corruption Programmes".

(xvi) On page 142 of the Base Prospectus, in the sub-section entitled "*Board of Directors – Committees*" – "*Appointments and Compensation Committee*" the third and the fourth paragraphs shall be deleted in their entirety and replaced with the following:

"*<u>Functions of the Appointments and Compensation Committee concerning the appointment of di-rectors</u>:*

- *it proposes to the Board of Directors candidates for the position of director, should the office of one or more directors be vacated during the year, ensuring compliance with the requirements for the minimum number of independent directors and for the quota re-served for the less represented gender;*
- *on the proposal of the Chief Executive Officer and in agreement with the Chairman, it submits to the Board of Directors candidates for membership of the corporate boards (i) of direct Subsidiaries; (ii) and of indirect Subsidiaries included in the scope of consolidation, whose turnover is individually equal to or above €30 million. The proposal made by the Committee is necessary;*
- *it draws up and provides opinions for the Board of Directors on the maximum number of director and statutory auditor positions that may be held in other companies listed on regulated markets, including foreign markets, or in large companies based on the criteria defined by the Board of Directors, which may be considered compatible with the effective performance of the role of director of the Company or Subsidiaries, taking account of the commitment required for the position in the Company or Subsidiaries;*
- *it develops criteria for assessing the requirements of professionalism and independence of the directors of the Company and Subsidiaries; with particular regard to the assessment of*

the Company directors' independence pursuant to the Corporate Governance Code, it proposes to the Board of Directors the quantitative and qualitative criteria to be considered when assessing the significance of (i) any relevant commercial, financial or professional relations pursuant to Recommendation 7(c) of the Corporate Governance Code that may be entered into by the directors; and (ii) any relevant remuneration pursuant to Recommendation 7(d) of the Corporate Governance Code received by the directors from the Company, one of its Subsidiaries or the parent company if any, additional to fixed remuneration for the position and any remuneration received for attending the board committees as recommended by the Corporate Governance Code or established in the applicable regulations;

- *it expresses its own opinion to support the assessment of the Board of Directors of specific circumstances or issues in the presence of a general and preventive authorisation for exemption from the prohibition on competition envisaged in Article 2390 of the Italian Civil Code;*
- *it supports the Board of Directors in drawing up, updating and implementing the succession plan for the CEO and any other executive director, which – as a minimum – shall set out the procedures to follow in the event of early termination of office, providing its opinion thereon; it examines and assesses the procedures adopted for the succession of top management as defined by the Corporate Governance Code (hereinafter also referred to as "Top Management" or "Executives with strategic responsibilities") and provides its opinion as to their suitability to the Board of Directors;*
- *it draws up and proposes procedures for the annual self-assessment of the Board and its board committees, supporting the Chairman in ensuring the suitability and transparency of the process itself;*
- *it provides its opinion to the Board of Directors – at each renewal of the administrative body, considering the results of the self-assessment referred to in point above – regarding the optimal quantitative and qualitative composition of the Board of Directors and board committees, and draws up recommendations on the professional and managerial roles deemed appropriate for the Board;*
- *it expresses its opinion with regard to establishing, updating and supplementing the Diversity of Company Bodies Policy, in compliance with the provisions therein.*

Functions of the Committee regarding the remuneration of the directors General Managers, statutory auditors and executives with strategic responsibilities:

- *it submits for approval by the Board of Directors the report on remuneration policy and compensation paid pursuant to Article 123-ter of the CLF and,, in particular, the Policy for the remuneration of the administrative body members, General Managers, and Executives with Strategic Responsibilities, as well as – in accordance with the provisions of Article*

2402 of the Italian Civil Code – the members of the control body (hereinafter the "Policy"),to be presented at the Shareholders' meeting convened for the approval of the financial statements, under the terms provided for by law;

- *it reviews the vote cast by the Shareholders' Meeting on the two sections of the report referred to in the previous point a), in the previous financial year and expresses an opinion to the Board of Directors;*
- *it formulates proposals on the compensation of the Chairman and the Chief Executive Officer, with regard to the various forms of compensation and economic treatment;*
- *it makes proposals or expresses opinions concerning the compensation of members of the Board of Directors Committees;*
- *it expresses opinions, also on the basis of the indications of the Chief Executive Officer, with regard to:*
  - *the general criteria for the compensation of Executives with strategic responsibilities;*
  - *general guidelines for the compensation of other Executives of the Company and its Subsidiaries; and*
  - *annual and long-term incentive plans, including share-based plans;*
- *it expresses opinions, also on the basis of the Chief Executive Officer's proposals on setting performance targets and calculating the company results tied to the implementation of the incentive plans and defining the variable remuneration of Directors with powers; and proposes stipulating claw-back clauses;;*
- *it proposes the definition, in relation to directors with powers, of: i) the indemnification to be paid in the event of termination of their employment; ii) non-competition agreements;*
- *it monitors the application of decisions made by the Board of Directors; it periodically evaluates the adequacy, overall consistency and practical application of the policy adopted, using, in this regard, the information provided by the Chief Executive Officer, preparing proposals for the Board of Directors on this subject;*
- *it performs any duties that may be required by the procedure concerning related-party transactions carried out by the Company; and*
- *it reports on the exercising of its functions to the Shareholders' Meeting convened to approve the separate financial statements for the year, through the Chairman of the Committee or another member delegated by the same.*"

(xvii) On page 144 of the Base Prospectus, in the sub-section entitled "*Board of Directors – Committees*" – "*Sustainability Committee*", the third paragraph shall be deleted in its entirety and replaced with the following:

"*Specifically, the Sustainability Committee:*

- *examines and evaluates:*
  (i) the sustainability policies aimed at ensuring the creation of value over time for

shareholders and for all other stakeholders in the long term with regard to the principles of sustainable development; this also in order to support the Board of Directors in the preparation of the business plan;

(ii) the guidelines, objectives and consequent processes, of sustainability;

(iii) the disclosure of non-financial information pursuant to legislative decree no. 254/2016, to be submitted to the Board of Directors, in coordination with the Control, Risk and Related Party Transactions Committee in relation to the assessment by the latter of the suitability of the periodical financial and non-financial information for the purpose of correctly representing the business model, the Company's strategies, the impact of its activities and the performance achieved;

(iv) the integration of ESG aspects into the ERM matrix;

(v) the Company's stakeholder engagement policy;

- *monitors the positioning and guidelines of Italgas with regard to financial markets involving sustainability, with reference also to the placement of Italgas on the ethical sustainability indices;*
- *monitors national, European and international initiatives with regard to sustainability and the participation of Italgas in them, aimed at consolidating sustainable success and corporate reputation internationally;*
- *examines any sustainability initiatives in agreements submitted to the Board of Directors, also with regard to the subject of climate change;*
- *examines the profit and non profit strategy, as well as gas advocacy of Italgas;*
- *expresses, at the request of the Board of Directors, an opinion on other questions regarding sustainability; and*
- *following each of its meetings, the Sustainability Committee updates the Board of Directors, at its first meeting, with regard to the subjects dealt with and the observations, recommendations and opinions formulated; it also reports to the Board of Directors, at least every six months, no later than the deadline for the approval of the annual and interim financial reports, on the activities carried out, at the board meeting indicated by the Chairman of the Board of Directors."*

(xviii) On page 150 of the Base Prospectus, in the sub-section entitled "*Conflicts of Interest*", the third paragraph shall be deleted.

(xix) On page 150 of the Base Prospectus, in the sub-section entitled "*Conflicts of Interest*", the fourth paragraph shall be deleted in its entirety and replaced with the following:

"*Pier Lorenzo Dell'Orco, on 18 December 2020 became CEO of Italgas Reti and is also a member of the Board of Directors of Seaside and Sole Director of Italgas Newco.*"

(xx) On page 150 of the Base Prospectus, in the sub-section entitled "*Managers with Strategic*

Responsibilities", the table shall be deleted in its entirety and replaced with the following:

Name	**Role**
Antonio Paccioretti	General Manager Finance and Services
Alessio Minutoli	Head of Legal, Corporate and Compliance Affairs
Pier Lorenzo Dell'Orco	Chief Executive Officer of Italgas Reti
Nunziangelo Ferrulli	Head of Institutional Relations and Regulatory Affairs
Chiara Ganz	Head of External Relations and Communication
Raffaella Marcuccio	Head of Procurement and Material Management
Bruno Burigana	Chief Executive Officer of Toscana Energia
Pietro Durante	Chief Human Resources Officer

(xxi) On page 151 of the Base Prospectus, in the sub-section entitled "*Managers with Strategic Responsibilities*", the paragraph beginning "*Paolo Luigi Bacchetta (Manager of Italgas and Chief Executive Officer of Italgas Reti).*" shall be deleted in its entirety.

(xxii) On page 151 of the Base Prospectus, in the sub-section entitled "*Managers with Strategic Responsibilities*", the paragraph beginning "*Pier Lorenzo Dell'Orco (Head of Commercial Development).*" shall be deleted in its entirety and replaced with the following:

"***Pier Lorenzo Dell'Orco (Manager of Italgas and Chief Executive Officer of Italgas Reti)***. *He took his degree in Mechanical Engineer in Rome, Università La Sapienza in 1994. Since the following year, he has been working in the energy sector where over the years he has gained technical and commercial experience with roles of growing responsibility. He obtained solid technical skills in the early years of his professional career at several of the top Italian utilities, as Project Manager at Edison S.p.A. from 1995 to 2004 and afterwards, until 2007, as Engineering Department Manager at Edipower S.p.A. In 2008, he joined Sorgenia S.p.A., first as Business Development Manager, experience that then led him inside the company's business department, where over the span of six years he took over the responsibilities of Head of Customer Management, then Head of Sales & Marketing and, lastly, Head of Commercial Operations & ICT. He joined Italgas S.p.A. in December 2016 with the role of Partnership Development Manager and contributed toward starting up a pipeline of corporate acquisitions in the gas distribution sector and promoting development of new businesses, in line with the corporate diversification goals such as, for example, the group's entry into the energy efficiency sector. He has been a member of the Board of Directors of the Italgas group-controlled company Seaside S.r.l. since the beginning of 2018. Starting from the beginning of 2018 until December 2019 he was a member of the Board of Directors of Medea S.p.A. and between May 2019 and November 2019 he was sole director of Medea Newco S.r.l. Starting in May 2018 he has taken over the responsibility of Head of Commercial Development, reporting directly to the CEO of Italgas S.p.A.. ON 18 December 2020, he became CEO of Italgas Reti*."

(xxiii) On page 154 of the Base Prospectus, in the sub-section entitled "*Managers with Strategic*

Responsibilities", the table shall be deleted in its entirety and replaced with the following:

Name	Company	Office/Stake held	Status of the office / stakeholding as at the date of the First Supplement
Antonio Paccioretti	Italgas Reti Medea Toscana Energia	Chairman of the BoD Chairman of the BoD Director	In office In office In office
Pier Lorenzo Dell'Orco	Italgas Reti Seaside Italgas Newco	Chief Executive Officer Director Sole Director	In office
Nunziangelo Ferrulli	Italgas Acqua Italgas Reti	Director Director	In office In office
Raffaella Marcuccio	Toscana Energia Reti Distribuzione	Director Director	In office
Chiara Ganz	Gesam Reti Gaxa	Director Director	In office In office
Alessio Minutoli	Gaxa	Chairman of the BoD	In office
Bruno Burigana	Toscana Energia	Chief Executive Officer	In office

g) REGULATORY AND LEGISLATIVE FRAMEWORK

The section of the Base Prospectus entitled "*Regulatory and Legislative Framework*" shall be updated as follows:

(i) On page 169 of the Base Prospectus, in the section entitled "*Regulatory – Tariffs*", sub-section "*Recent developments in Gas Distribution Tariffs*", the second paragraph shall be deleted in its entirety.

(ii) On page 169 of the Base Prospectus, in the section entitled "*Regulatory – Tariffs*", sub-section "*Recent developments in Gas Distribution Tariffs*", the following paragraph shall inserted after the last paragraph:

"*With Resolution no. 596/2020/R/gas, published on 29 December 2020, the ARERA has approved the mandatory tariffs for natural gas distribution and metering services for 2021*."

h) TAXATION

The section of the Base Prospectus entitled "*Taxation*" shall be updated as follows:

(i) On page 171 of the Base Prospectus, in the sub-section entitled "*Interest and other proceeds from Notes that qualify as bonds or instruments similar to bonds – Italian resident Noteholders*", the following words: "*, all as lastly amended and supplemented by Article 136 of Law Decree No. 34 of 19 May 2020 converted by Law No. 77 of 17 July 2020 (Decree No. 34).*" in the second paragraph shall be deleted and replaced as follows:

". Please note that the long-term savings account discipline has been modified by Article 136 of Law Decree No. 34 of 19 May 2020 converted by Law No. 77 of 17 July 2020 (Decree No. 34), as amended by Article 68 of Law Decree No. 104 of 14 August 2020 converted by Law No. 126 of 13 October 2020 (Decree No. 104) and by Article 1, paragraphs 219-226 of Law No. 178 of 30 December 2020 (Law No. 178)."

(ii) On page 172 of the Base Prospectus, in the sub-section entitled "*Interest and other proceeds from Notes that qualify as bonds or instruments similar to bonds – Italian resident Noteholders*", the following words: ", *all as lastly amended and supplemented by Article 136 of Decree No. 34.*" in the seventh paragraph shall be deleted and replaced as follows:

". Please note that the long-term savings account discipline has been modified by Article 136 of Decree No. 34, as amended by Article 68 of Decree No. 104 and by Article 1, paragraphs 219-226 of Law No. 178."

(iii) On page 173 of the Base Prospectus, in the sub-section entitled "*Interest and other proceeds from Notes not having 100 per cent. capital protection guaranteed by the Issuer*", the following words: ", *all as lastly amended and supplemented by Article 136 of Decree No. 34.*" in the fourth paragraph shall be deleted and replaced as follows:

". Please note that the long-term savings account discipline has been modified by Article 136 of Decree No. 34, as amended by Article 68 of Decree No. 104 and by Article 1, paragraphs 219-226 of Law No. 178."

(iv) On page 175 of the Base Prospectus, in the sub-section entitled "*Capital Gains Tax – Italian resident Noteholders*", the following words: ", *all as lastly amended and supplemented by Article 136 of Decree No. 34.*" in the second and sixth paragraph shall be deleted and replaced as follows:

". Please note that the long-term savings account discipline has been modified by Article 136 of Decree No. 34, as amended by Article 68 of Decree No. 104 and by Article 1, paragraphs 219-226 of Law No. 178."

(v) On page 176 of the Base Prospectus, in the sub-section entitled "*Inheritance and gift taxes*", the last paragraph shall be deleted in its entirety and replaced with the following:

"*The mortis causa transfer of financial instruments included in a long-term savings account (piano individuale di risparmio a lungo termine) – that meets the requirements set forth in Article 1, paragraphs 100 - 114 of Law No. 232 and Article 1, paragraphs 211 – 215 of Law No. 145, as implemented by the Ministerial Decree 30 April 2019 and in a long-term individual*

savings account established from 1 January 2020, by Article 13-bis of Decree No. 124 are exempt from inheritance taxes. Please note that the long-term savings account discipline has been modified by Article 136 of Decree No. 34, as amended by Article 68 of Decree No. 104 and by Article 1, paragraphs 219-226 of Law No. 178".

i) SUBSCRIPTION AND SALE

The section of the Base Prospectus entitled "Subscription and Sale" shall be updated as follows:

(i) The paragraphs under the section entitled "*Prohibition of Sales to EEA and UK Retail Investors*" on pages 180-181 of the Base Prospectus shall be deleted in their entirety and replaced as follows:

"Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 EEA. For the purposes of this provision:

(i) 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 Directive 2014/65/EU (as amended, "**MiFID II**"); or*

(b) a customer within the meaning of Directive (EU) 2016/97, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

*(c) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), and*

(ii) 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 for the Notes.

(ii) The paragraphs under the section entitled "*Public Offer Selling Restriction under the Prospectus Regulations*" on page 181 of the Base Prospectus shall be deleted in their entirety and replaced as follows:

"If the Final Terms in respect of any Notes do not include a legend entitled "Prohibition of Sales to EEA Retail Investors", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State, except that it may make an offer of such Notes to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

*For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Member State means 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 for the Notes.

(iii) The paragraphs under the section entitled "*United Kingdom*" on page 181 of the Base Prospectus shall be deleted in their entirety and replaced as follows:

*"**Prohibition of Sales to UK Retail Investors***

If the Final Terms in respect of any Notes include a legend entitled "Prohibition of Sales to UK Retail Investors" each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 UK. For the purposes of this provision:

(a) 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 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 domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation, and

(b) 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 for the Notes.

If the Final Terms in respect of any Notes do not include a legend entitled "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the UK, except that it may make an offer of such Notes to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined Article 2 of the UK Prospectus Regulation) in the UK, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

*For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means 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 for the Notes.*

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have 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 whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) 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

(c) 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 UK.".

* * *

GENERAL INFORMATION

To the extent that there is any inconsistency between (a) any statement in this First Supplement or any statement incorporated by reference into the Base Prospectus by this First Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this First Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

Copies of the Base Prospectus, this First Supplement and all documents incorporated by reference in the Base Prospectus can be obtained from the registered offices of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg and are available on the website of the Luxembourg Stock Exchange at *www.bourse.lu* and on the following dedicated section the Issuer's website from https://www.italgas.it/en/investors/emtn-programme/.