BASE PROSPECTUS

Investiamo nel futuro dal 1837

Italgas S.p.A.
(*incorporated with limited liability in the Republic of Italy*)
€5,000,000,000
Euro Medium Term Note Programme

Under this €5,000,000,000 Euro Medium Term Note Programme (the **Programme**), Italgas S.p.A. (the **Issuer**, **Italgas** or the **Company**) may from time to time issue notes in dematerialised form (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this base prospectus (the **Base Prospectus**) to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

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

This Base Prospectus is valid until 10 July 2026. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Base Prospectus is no longer valid.

This Base Prospectus has been approved as a base prospectus by the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) in its capacity as competent authority under Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). This Base Prospectus has been published on 10 July 2025, following CONSOB approval by decision n. 0068738/25 dated 10 July 2025. **CONSOB only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.** Such approval should not be considered as an endorsement of, or an undertaking on, the quality and solvency of either the Issuer or the quality of the Notes or the economic or financial soundness of the transactions that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

Borsa Italiana S.p.A. has issued the declaration of admissibility to listing of the Notes referred to in this Base Prospectus on the Electronic Bond Market organised and managed by Borsa Italiana S.p.A. (**MOT**), with provision no. 6 of 18 June 2025.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to listing and to trading on the MOT. The MOT is a regulated market for the purposes of Directive 2014/65/EU, as amended (**MiFID II**).

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.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed, will be filed with the CONSOB. Copies of Final Terms in relation to Notes to be listed on the MOT will also be published on the Issuer's website www.italgas.it/en/investors/bond-investors/consob-emtn-programme/.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The information relating to Euronext Securities Milan (formerly Monte Titoli S.p.A.) (**Monte Titoli**) has been accurately reproduced from information published by Monte Titoli. So far as Italgas is aware and is able to ascertain from information published by Monte Titoli, no facts have been omitted which would render the reproduced information misleading.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to the Base Prospectus, a new Base Prospectus or a drawdown prospectus, in the case of listed Notes only, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

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 https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation, or by a credit rating agency established in the United Kingdom (**UK**) and registered under the CRA Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**) (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*" in the "Risk Factors" section of this Base Prospectus. Amounts payable under the Notes may be calculated by reference, *inter alia*, to EURIBOR, which is provided by the European Money Markets Institute, as specified in the applicable Final Terms. As at the date of this Base Prospectus, 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 (as amended, the **Benchmarks Regulation**).

Arrangers

J.P. Morgan	Société Générale Corporate & Investment Banking

Dealers

Banca Akros S.p.A. – Gruppo Banco BPM	Barclays
BNP PARIBAS	BofA Securities
Citigroup	Crédit Agricole CIB
Goldman Sachs International	IMI – Intesa Sanpaolo
Mediobanca	J.P. Morgan
Société Générale Corporate & Investment Banking	Morgan Stanley

UniCredit

The date of this Base Prospectus is 10 July 2025.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8(1) of the Prospectus Regulation. For the avoidance of doubt, when used in this Base Prospectus, references to "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended, 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 (the EUWA).

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

This Base Prospectus is to be read in conjunction with any supplements hereto and with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated by reference and form part of this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CONSOB.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or by their respective affiliates (including parent companies) as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer nor any of their respective affiliates (including parent companies) accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

This Base Prospectus contains industry and customer-related data as well as calculations taken from industry reports, market research reports, publicly available information and commercial publications. It is hereby confirmed that (a) to the extent that information reproduced herein derives from a third party, such information has been accurately reproduced and (b) insofar as the Issuer is aware and is able to ascertain from information derived from a third party, no facts have been omitted which would render the information reproduced inaccurate or misleading.

No person is or has been authorised by the Issuer or any Dealer or any of their respective affiliates (including parent companies) to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or any of their respective affiliates (including parent companies).

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers or by their respective affiliates (including parent companies) that any recipient of this Base Prospectus or

any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including the Republic of Italy and France), the UK, Japan and Singapore, see "*Subscription and Sale*".

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, the UK Prospectus Regulation or the Financial Services and Markets Act 2000 (as amended, the FSMA), as applicable, 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.

All references in this document to *Euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended and all references to *U.S. dollars, U.S.$* and *$* refer to United States dollars.

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 (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; 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.

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.

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

UK MiFIR product governance / target market – The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment;

however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (as amended, 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.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

With respect to each issuance of Notes, the Issuer may make a determination about the classification of such Notes (or beneficial interests therein) for purposes of Section 309B(1)(a) of the Securities and Futures Act 2001 of Singapore (as amended or modified from time to time, the SFA). The Final Terms in respect of any Notes may include a legend titled "Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore" that will state the product classification of the applicable Notes (and, if applicable, beneficial interests therein) pursuant to Section 309B(1) of the SFA; *however*, unless otherwise stated in the applicable Final Terms, all Notes (or beneficial interests therein) shall be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). This notification or any such legend included in the applicable Final Terms will constitute notice to "relevant persons" for purposes of Section 309B(1)(c) of the SFA.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) **has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;**

(ii) **has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;**

(iii) **has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;**

(iv) **understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and**

(v) **is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Green Bonds, Social Bonds or Sustainability Bonds

The Final Terms relating to any specific issue of Notes may provide that it will be the Issuer's intention to apply, in whole or in part, an amount equal to the proceeds from an offer of those Notes specifically for Eligible Green Projects, Eligible Social Projects or a combination of Eligible Green Projects and Eligible Social Projects, in accordance with the Green Bond Principles, the Social Bond Principles or the Sustainability Bond Guidelines (each as defined in the risk factor "In respect of any Notes issued as "Green Bonds" or "Social Bonds", or "Sustainability Bonds" there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor"). In relation to any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds", neither the Arrangers nor any Dealer nor any of their respective affiliates (including parent companies) make any representation as to the suitability of such Notes to fulfil any green, social or sustainability criteria (as applicable) required by prospective investors. The Arrangers, the Dealers and their respective affiliates (including parent companies) have not undertaken, nor are responsible for, any assessment of the eligibility criteria for Eligible Green Projects, Eligible Social Projects or any combination of Eligible Green Projects and Eligible Social Projects, any verification of whether such Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds" meet the relevant eligibility criteria, the monitoring of the use of proceeds or the allocation of the proceeds of any such Notes (or amounts equal or equivalent thereto) by the Issuer to particular Eligible Green Projects, Eligible Social Projects or any combination of Eligible Green Projects and Eligible Social Projects. None of the Arrangers, the Dealers or any of their respective affiliates (including parent companies) will verify or monitor the proposed use of proceeds of any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds" issued under the Programme. For the avoidance of doubt, "Green Bonds", "Social Bonds" or "Sustainability Bonds" may only be issued after the publication of a supplement to this Base Prospectus including information in respect of these securities.

Forward-Looking Statements

This Base Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or similar words and expressions. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

Step Up Notes

The Issuer may issue Step Up Notes linked to the performance of specific sustainable Key Performance Indicators (KPIs) measured against specific Sustainability Performance Targets (SPTs) in line with the Sustainability-Linked Bond Principles, as better indicated in the Sustainability-Linked Bond Framework (as defined in the risk factor "Second-party Opinions may not reflect the potential impact of all risks related to the Step Up Notes (also referred to as Sustainability-linked Notes) or any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds""). The Sustainability-Linked Bond Framework will be available on the Issuer's website once published. For the avoidance of doubt, (i) any Sustainability-Linked Bond Framework published will not be incorporated by reference into this Base Prospectus and (ii) Step Up Notes (also referred to as Sustainability-linked Notes) may only be issued after the publication of a supplement to this Base Prospectus including information in respect of these securities. Tranches of such Step Up Notes will be titled "Sustainability-Linked Notes". In relation to Step Up Notes, neither the Arrangers, the Dealers, nor any of their respective affiliates (including parent companies) make any representation as to the suitability of such Step Up Notes to fulfil any sustainability criteria required by prospective investors. The Arrangers, the Dealers and their respective affiliates (including parent companies) have not undertaken, nor are responsible for, any verification of whether the Step Up Notes meet any sustainability criteria required by prospective investors.

Second-party Opinions and External Verification

In connection with the issue of Notes as "Green Bonds", "Social Bonds", "Sustainability Bonds" or Step Up Notes (also referred herein as Sustainability-linked Notes) under the Programme, an opinion, report or certification of a third party (whether or not solicited by the Issuer) (Second-party Opinions, as defined in the risk factor "Second-party Opinions may not reflect the potential impact of all risks related to the Step Up Notes (also referred to as Sustainability-linked Notes) or any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds"") will be provided. The Second-party Opinions will be available on the Issuer's website. Any information on, or accessible through, the Issuer's website and the information in such Second-party Opinions or any past or future Second-party Opinions provided pursuant to Condition 12 (Available Information) is not part of this Base Prospectus and should not be relied upon in connection with making any investment decision with respect to any Notes to be issued under the Programme. In addition, no assurance or representation is given by the Issuer, any other member of the Group, the Dealers or any other member of their group (including parent companies), Second-party Opinion providers, the independent auditors or the External Verifier as to the suitability or reliability for any purpose whatsoever of any Second-party Opinion in connection with the offering of any Notes as Green Bonds, Social Bonds, Sustainability Bonds or Step Up Notes under the Programme. Any such Second-party Opinion and any other document related thereto is not, nor shall it be deemed to be, incorporated in and/or form part of this Base Prospectus.

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

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GENERAL DESCRIPTION OF THE PROGRAMME

The following general description of the Programme does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, a new Base Prospectus, a drawdown prospectus or a supplement to the Base Prospectus, if appropriate, in the case of listed Notes only, will be made available which will describe the effect of the agreement reached in relation to such Notes.

This description constitutes a general description of the Programme for the purposes of Article 25 of the Commission Delegated Regulation (EU) 2019/980 (the **Delegated Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this description.

Issuer:	Italgas S.p.A.
Legal Entity Identifier (LEI) of the Issuer:	815600F25FF44EF1FA76
Website of the Issuer:	www.italgas.it/en/investors/bond-investors/consob-emtn-programme/
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "*Risk Factors*" and include, among others, risks relating to the effect of changes in tariff levels and risks of changes in regulation and legislation. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Risk Factors*" and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:	Euro Medium Term Note Programme
Arrangers:	J.P. Morgan SE Société Générale
Dealers:	Banca Akros S.p.A. Barclays Bank Ireland PLC BNP PARIBAS BofA Securities Europe SA Citigroup Global Markets Europe AG Crédit Agricole Corporate and Investment Bank Goldman Sachs International Intesa Sanpaolo S.p.A. J.P. Morgan SE Mediobanca – Banca di Credito Finanziario S.p.A. Morgan Stanley & Co. International plc Société Générale UniCredit Bank GmbH

	and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended (the **FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Paying Agent:	BNP PARIBAS, Italian Branch
Programme Size:	Up to €5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, notes may be denominated in any currency agreed between the Issuer and the relevant Dealer as specified in the applicable Final Terms.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par and will be indicated in the applicable Final Terms.
Form of Notes:	The Notes will be issued in bearer form and in dematerialised form, as described in "*Form of the Notes*".

Fixed Rate Notes:	Subject to the Step Up Option if the applicable Final Terms indicates that the Step Up Option is applicable to Fixed Rate Notes, fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and, on redemption, will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer, each as specified in the applicable Final Terms.
Step Up Notes:	Fixed Rate Notes and Floating Rate Notes may be subject to a Step Up Option if the applicable Final Terms indicates that the Step Up Option is applicable. The Rate of Interest for Step Up Notes will be the Rate of Interest specified in the applicable Final Terms or otherwise determined in accordance with Condition 4 (*Interest*), provided that, for any Interest Period commencing on or after the Interest Payment Date immediately following a Step Up Event (or a Step Up Event comprising the Cumulative Step Up Event if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable), if any, the Initial Rate of Interest (in the case of Fixed Rate Notes) or the Initial Margin (in the case of Floating Rate Notes) shall be increased by the relevant Step Up Margin (or Cumulative Step Up Margin if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable) specified in the applicable Final Terms. The applicable Final Terms shall specify whether one or more Step Up Events shall apply in respect of each Series of Sustainability-Linked Notes and the relevant Step Up Margin in respect of each such event. For the avoidance of doubt, (i) an increase in the Rate of Interest following a Step Up Event (or a Step Up Event comprising the Cumulative Step Up Event if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable) may occur no more than once in respect of the relevant Step Up Note and (ii) if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable, the Cumulative Step Up Event will occur and the Cumulative Step Up Margin will apply if any of the Step Up Events comprising the Cumulative Step Up Event occur.
Floating Rate Notes:	Subject to the Step Up Option if the applicable Final Terms indicates that the Step Up Option is applicable to Floating Rate Notes, Floating Rate Notes will bear interest at a rate determined on the basis of a reference rate set out in the applicable Final Terms, which may be EURIBOR, CMS Rate or Constant Maturity BTP Rate.

	Whether or not such reference rate is provided by an administrator included in the register established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 (the **Benchmarks Regulation**), will be disclosed in the Final Terms.
	Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
	The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.
	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.
Inflation Linked Notes:	Payments of principal in respect of Inflation Linked Redemption Notes or of interest in respect of Inflation Linked Interest Notes will be calculated by reference to one or more inflation indices, as may be agreed between the Issuer and relevant Dealer.
	Whether or not such inflation indices are provided by an administrator included in the register established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation, will be disclosed in the Final Terms.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.
	Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Clean – Up Call and Maturity Par Call Option:	The applicable Final Terms will also indicate whether the Issuer has a Clean- Up Call or an Issuer Maturity Par Call Option. See Condition 6.4 (*Redemption at the*

	option of the Issuer (Issuer Maturity Par Call)) and Condition 6.5 (*Redemption at the option of the Issuer* (*Clean-Up Call*)).
Benchmark discontinuation:	Amounts payable under the Notes may be calculated by reference to interest rates and indices which are deemed to be "benchmarks", for the purpose of the Benchmarks Regulation. In this case, if a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Conditions provide that the Issuer may vary the Conditions, as necessary, to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders. If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Conditions also provide that an Adjustment Spread may be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate in the manner set out in Condition 4.6 (*Benchmark discontinuation*).
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Taxation:	All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction as provided in Condition 7 (*Taxation*), unless such withholding or deduction is required by law, in which event, the Issuer will, save in certain limited circumstances provided in Condition 7 (*Taxation*), be required to pay additional amounts to cover the amounts so withheld or deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 3 (*Negative Pledge*).

Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 9 (*Events of Default*).
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
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. 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.
Approval of base prospectus, listing and admission to trading:	This document has been approved as a base prospectus by the CONSOB. Any information of the Base Prospectus regarding the Notes which may be neither listed or admitted to trading on any market have not been subject to the approval of the CONSOB. Borsa Italiana S.p.A. has issued the declaration of admissibility to listing of the Notes referred to in this Base Prospectus on the Electronic Bond Market organised and managed by Borsa Italiana S.p.A. (**MOT**), with provision no. 6 of 18 June 2025. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

	The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English Law, except that the form and transferability of the Notes, as set out in Condition 1 (*Form, Denomination and Title*), shall be governed by, and construed in accordance with, Italian Law and Condition 13 (*Meetings of Noteholders and Modification*) is subject to compliance with the provisions of Italian law. The Agency Agreement and any non-contractual obligations arising out of or in connection with it, are and shall be governed by, and construed in accordance with, Italian law..
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including Italy and France), the UK, Japan, Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of specific factors which could materially adversely affect its business and ability to make payments due under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

1) Risks related to the business activity and sector of the Italgas Group

Risks associated with the awarding and termination of gas distribution concessions

Italian perimeter

Gas distribution activities in areas where the Italgas Group is active are carried out pursuant to concessions issued by individual municipalities. As of 31 March 2025, the Italgas Group manages the service in 2,042 municipalities under concessions, of which 1,508 have expired. Regarding the Italian perimeter, the Italgas Group manages the service in 1,897 municipalities under concessions, of which 1,494 have expired.

For the sake of completeness, even after the expiry of the concession, being that gas distribution service is considered as a "public service", each gas distribution operator (including the companies of the Italgas Group) is requested to continue and should continue with the management of the service (and be accordingly remunerated), limited to the ordinary administration (*ordinaria amministrazione*), until the start date of the new concession (Article 14.7 of Legislative Decree No. 164 of 2000 (**Decree 164/2000**)).

According to Ministerial Decree 19 January 2011, 18 October 2011 and No. 226 of 12 November 2011 (**MD 226** or **Tender Criteria Decree**), the gas distribution service can only be conducted on the basis of 172 tender processes to be held for each of the ATEMs (predominantly of a provincial size) in which the Italian territory has been divided. In turn, each ATEM is made up of a combination of municipalities served by distribution plants that must be managed by a single concession holder (*concessionario*), which shall emerge from the public tender procedures. The maximum length of the concession is 12 years.

The timetable for tenders, initially comprising the years 2015, 2016 and 2017, has been updated on some occasions, lastly with the "Milleproroghe" Law Decree (n. 244/2016), converted into law in February 2017, which extended by a further 24 months the time limit to launch the tenders for the ATEMs affected by the 2016 earthquakes.

As at 31 March 2025, only 44 invitations have been published for a total of 47 ATEMs (Cremona 2 and Cremona 3 were grouped together, as well as Trento1, Trento2 and Trento3), of which ten have been withdrawn, three others have been annulled by a judicial decision (Venezia 1, Alessandria 2 and Genova 2) and ten were suspended by the contracting authority. Submissions by operators for thirteen tenders: Torino 2, Belluno, Udine 2, Valle d'Aosta, Milano 1, Torino 1, Napoli 1, La Spezia, Rimini, Catanzaro-Crotone, Torino 5, Biella[1] and Trento (Torino 2, Valle D'Aosta, Belluno, Torino 1, La Spezia and Catanzaro-Crotone have been awarded to Italgas Reti S.p.A. (**Italgas Reti**)) and one pre-qualification request (Perugia 2) has instead occurred. For another four 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 tender proceedings in two ATEMs (Cosenza 1 and Reggio Calabria – Vibo Valentia).

The criteria to be used for awarding the concessions to a bidder, mainly of a technical nature and also based on economic factors, are set out in MD 226.

Uncertainty about interpretation and therefore application of the rules governing such new regulatory framework does persist at the date of this Base Prospectus.

In the Italgas Strategic Plan (as defined below), the Italgas Group assumes the full completion of the tender processes outside the plan period, with a slower timing compared with the previous plan.

When it comes to the tender process, the Italgas Group may not be awarded concessions the Issuer assumes to retain/win in its Italgas Strategic Plan, or may award concessions with different timeline with respect to the timeframe assumed in the Italgas Strategic Plan, or may be re-awarded its present concessions under conditions that are less favourable to what assumed in the Italgas Strategic Plan, with a possible negative impact on its operations, results, balance sheet and cash flow. It should, however, be pointed out that, if the concessions relating to previously managed municipalities are not awarded, the companies of the Italgas Group will have the right to be paid the Reimbursement Value in favour of the outgoing operator, calculated in accordance with MD 226. Under this scenario, it is possible that the Reimbursement Value of the concessions resulting from the tenders, where a third party is an assignee, is below the value of the RAB, i.e., the value assumed by the Issuer in the preparation of the Italgas Strategic Plan. Such a case could have significant negative effects on the assets and on the balance sheet, income statement and financial position of the Italgas Group.

At the same time, the gas distribution companies of the Italgas Group may be awarded new ATEM concessions (i.e., previously held by other operators, either wholly or in part). Therefore, it is not possible to rule out that, at the end of each tender procedure, a new concession awarded could, at least initially, require greater running costs and capital expenditure for the gas distribution companies of the Italgas Group compared with their operating standards.

In general, given the complexity of the regulations governing the expiration of the concessions, this and the outcome of any Local Tender Process could give rise to judicial and/or arbitral disputes between concession-holders, including the gas distribution companies of the Italgas Group, and third parties (including out-going operators and municipalities), with possible negative effects on the operations, results, balance sheet and cash flow of the Italgas Group.

In addition the concessions held by the Italgas Group include commitments relating to the construction and development of the network, the management of the distribution service, and vary for each concession. They also include termination clauses that may be triggered by the granting authority in the event of serious breach by the Italgas Group, as applicable. Therefore, with regard to the concessions under management, failure by the Italgas Group to comply with the commitments undertaken under the existing concession contracts could result in the imposition of penalties by the granting authority, the

[1] The economic offer for Biella has still to be delivered.

initiation of legal disputes, and potentially the early termination of the concession, with significant adverse effects on the operations and the equity, economic and financial position of the Group.

Greek perimeter

The expiration and renewal of the gas distribution licence in Greece is governed by the Greek Energy Law, which was partially amended (i.e., Articles 2, 80Γ and 88) by Greek Law 4812/2021, enacted on 30 June 2021. According to such amendment, the term of the licence is set at a minimum of 20 years and may be extended to 30 additional years upon the expiration of the original licence upon the application of the licence holder.

The extension application is to be submitted by the operator one year before the expiration, which is scheduled for 2043. The renewal is done through an "act with declaratory effect" issued by the Greek Energy Authority. The lack of specific conditions under which such an act is approved creates uncertainty, although Law 4951-2022 (Art. 134) introduced the provision of a redemption value equal to the value of the RAB at the end of the licence plus a 15% premium.

The non-renewal of the licence could have significant negative effects on Enaon Sustainable Networks S.A. (**Enaon**) group operations and impact on its economic, financial, and asset position due to the definition of the redemption value**.**

Risks associated with the execution of Italgas' strategic plan

On 4 October 2024, the Board of Directors of Italgas approved a new strategic plan defining the guidelines and the targets of the Italgas Group for the 2024-2030 period (the **Italgas Strategic Plan**) updating the strategy announced at the time of the previous strategic plan (2023-2029).

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, Toscana Energia S.p.A. (**Toscana Energia**), Geoside S.p.A. (**Geoside**), Bludigit S.p.A. (**Bludigit**), Nepta S.p.A.[2] (**Nepta**) and Enaon and their subsidiaries' operating sectors, such as estimates concerning the demand for natural and renewable gases in Italy and Greece 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 also considers the impacts of the acquisition of 2i Rete Gas S.p.A. (**2i Rete Gas**), the main Italian competitor in the gas distribution market, assuming the success of the acquisition initiative and its effectiveness from mid-2025. On 1 April 2025 such acquisition has been completed, for further information please refer to section "*Description of the Issuer*", paragraph "*Group Structure*".

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 December 2023.

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 characterise the current macroeconomic environment – actions that will not necessarily take place and events or other factors that may have an impact on the performance

[2] On 16 October 2023, the extraordinary shareholders' meeting of Italgas Acqua S.p.A. resolved to change its company name to Nepta.

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 closing of the transaction relating to the purchase of 2i Rete Gas, that is subject to obtaining the necessary regulatory approval. On 1 April 2025 such acquisition has been completed, for further information please refer to section "*Description of the Issuer*", paragraph "*Group Structure*";

(ii) 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;

(iii) 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 the full completion of the tender processes outside the plan period, with a slower timing compared with the previous plan;

(iv) fulfilment 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;

(v) the representative character of the RAB (**Regulatory Asset Base**) value as an estimator of the Reimbursement Value recognised 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

(vi) realisation of the estimates concerning the demand for natural gas in Italy and Greece 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, also considering the acquisition of 2i Rete Gas by Italgas, with impact from mid-2025.

For the period 2024-2030, the Italgas Strategic Plan has scheduled overall investments (before contributions) of €15.6 billion (compared to the €8.1 billion envisaged in the previous 2023-2029 plan).

Out of the €15.6 billion above:

- about €12.8 billion is allocated for the development of the Italian gas distribution network, of which €2.7 billion is dedicated to digitisation. This amount includes the acquisition of 2i Rete Gas, the complete digitisation of its network, in line with Italgas standards, the implementation of the DANA (Digital Advanced Network Automation) system, further enhanced by Artificial Intelligence, and commitments already made within ATEM tenders recently awarded to the Group;
- about €1.1 billion is related to the investments planned, net of disposals, for participation in ATEM tenders and the development of acquired concessions;
- about €1.0 billion is dedicated to the development of the distribution network in Greece to increase gas penetration and to digitise the whole network, supporting the country's decarbonisation goals; and

- about €0.75 billion is referred to as diversification, of which about €0.45 billion is dedicated to the water sector and €0.3 billion for the growth of energy efficiency business, through a combination of organic and M&A initiatives.

In terms of number of RPs, the Italgas Strategic Plan assumes that, also considering the Greek market, the Italgas Group will expect to have about 14.9 million RPs managed by the end of the plan period (2030), compared to about 7.8 million at the end of 2023.

The technical investments plan for the current perimeter, in conjunction with the planned initiatives for growth (in particular the 2i Rete Gas acquisition and tenders in Italy) is intended to support RAB growth to a targeted CAGR of around 10% in the plan period, starting from €9.7 billion at the end of 2023.

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 Italgas 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.

It should be noted that on 11 March 2025, the Italian Competition and Market Authority (**AGCM**) authorized the 2i Rete Gas acquisition, imposing on the Italgas Group post-acquisition, *inter alia*, the obligation to divest (i) 20% of the total delivery points (PdR) of the Italgas Group post-acquisition, together with the related assets, across 31 ATEMs, and (ii) a number of PdRs of the Italgas Group post-acquisition, together with the related assets, equivalent to the number of PdRs acquired through the 2i Rete Gas acquisition, across an additional 4 ATEMs.

The divestment procedure in compliance with the requirements of the Competition Authority, is expected to be completed in line with the AGCM's provisions. In the event of non-compliance with the requirements set out in the decision, following an investigation, the Competition Authority may, pursuant to Article 19, paragraph 1, of Law 287/1990, revoke the authorization and impose an administrative fine on the Issuer of no less than 1% and no more than 10% of the turnover generated by the Group through activities carried out in the markets affected by the 2i Rete Gas acquisition, with significant adverse effects on the Italgas Group's economic and financial results. Should one or more of the above assumptions prove to be incorrect, the Issuer may be unable to achieve the objectives reflected in the Italgas Strategic Plan, with potentially significant adverse effects on the Italgas Group's economic and financial results.

It should be noted that on 6 May 2025, the Board of Directors of the Issuer approved the consolidated results of the Italgas Group as of 31 March 2025, along with the guidance for the 2025 financial year (**2025 Guidance**). The 2025 Guidance is consistent with the strategic pillars of the Italgas Strategic Plan as well as with the underlying assumptions, and takes into account updates that reflect the effective consolidation of the 2i Rete Gas starting from 1 April 2025, and the revision of certain regulatory updates approved by ARERA for the current year (WACC, RAB revaluation rate, recognized regulatory costs). The cumulative impact of these updates, compared to the assumptions of the Italgas Strategic Plan, is not such as to require a revision of the forecasts for 2028 and 2030 contained therein.

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 Group profitability will remain at current levels, or that the Italian and Greek regulatory systems will not evolve in a manner that is unfavourable to the Italgas Group.

Risks associated with malfunctioning and unforeseen interruption of the service, and with delays in the progress of infrastructure construction programmes

Managing regulated gas activities involves a number of risks of malfunctioning and unforeseeable service disruptions due to factors which may also be outside of the control of Italgas, such as accidents, breakdowns or the malfunctioning of equipment (including metering tools) or control systems; the underperformance of plants; and extraordinary events such as explosions, fires, earthquakes, landslides or other similar events which may also be beyond the control of Italgas. Such events could result in a reduction in revenue and could also cause significant damage to people and private and public properties, with potential compensation obligations. Although Italgas has taken out specific insurance policies to cover some of these risks, in addition to ordinary and extraordinary maintenance performed on both distribution network and facilities, the related insurance cover could be insufficient to meet all the losses incurred, compensation obligations or cost increases.

The Italgas Group has developed its own business continuity and crisis management strategy: it includes compliance principles as roles and responsibilities, crisis management model, crisis activation levels, risk analysis and event management. Furthermore, the business continuity plan section defines how to maintain systems, execute tests and continuous improvement phases, covering all relevant scenarios. Italgas considers the adoption of the business continuity plan essential to implement a structured approach and ensure business continuity in case of disaster events, defining organisational and emergency controls for critical processes and adopting appropriate risk management measures in both operational and business terms.

The Italgas Group's ability to effectively develop its infrastructure is subject to many unforeseeable events linked to operating, economic, regulatory, authorisation and competition factors which are outside of its control. Italgas is therefore unable to guarantee that the projects to build, upgrade and/or extend its network will be started, completed or lead to the expected benefits in terms of tariffs.

The capex plan in the context of the Italgas Strategic Plan envisages an amount of €12.8 billion allocated for the development of the Italian gas distribution network, €1.1 billion related to the investments planned for participation in ATEM tenders, net of disposals, and the development of acquired concessions, €1.0 billion dedicated to the development of the distribution network in Greece, and about €0.75 billion referred to diversification in the water sector and the energy efficiency business.

The capex plan may require greater investment and/or longer timeframes than those originally planned, affecting in the future the Italgas Group's financial position and results.

Investment projects can be stopped or delayed because of difficulties in obtaining environmental and/or administrative authorisations, opposition raised by political groups or other organisations, or may be affected by changes in the price of equipment, materials and labour, or by changes in the political or regulatory context in the course of construction, or even by an inability to obtain financing at an acceptable interest rate. Such delays could have adverse effects on the operations, results and economic and financial position of the Italgas Group which could have an adverse impact on the Issuer's ability to meet its obligations under the Notes. Furthermore, changes in the prices of goods, equipment, materials availability and workforce could have an impact on the financial results of the Italgas Group.

An additional risk arises from adverse publicity that such events may generate and the consequential damage to the Issuer's reputation.

Risks associated with smart meters

Pursuant to Resolution 155/2008 of ARERA, as last amended by Resolution 501/2020, the Italgas Group has installed smart meters, which are capable of performing remote and real-time readings in over 85% of the RPs.

ARERA establishes the regulatory useful life of smart meters at 15 years. Given the high percentage of technological components that make up the smart meter, its technical useful life, i.e., the actual duration during which the device can function correctly and accurately, may be shorter than that provided by ARERA.

The malfunction of smart meters can be due to various causes such as connection problems, battery issues, system errors of the device, installation problems, and outdated software. In case of malfunction of the smart meters, the Italgas Group promptly carries out diagnostic activities aimed at identifying the causes of the malfunction (as well as accurately assessing the meter in terms of the operability of any contractual guarantees borne by the supplier) and replacing them with a functioning device. With ARERA resolution no. 737/2022/R/gas, the Authority recognizes the residual tariff value of mass market smart meters, the most common G4 and G6 calibers, produced up to the year 2016 and put into operation by the year 2018, which are decommissioned prematurely compared to the end of their useful life for tariff purposes. For meters produced after 2016 and put into operation after the year 2018, there is currently no regulatory provision.

Moreover, with resolution 117/2015/R/gas, ARERA defined the measurement performance of smart meters and the related compensations to be borne by the gas distributor if such performance is not met. These performance standards and compensations were subsequently updated with resolution 269/2022, which also introduced an equalization mechanism for partial reimbursement to the gas distributor. In the event of malfunctions of smart meters or failure to meet the measurement performance as defined by ARERA, the Italgas Group should proceed with their replacement, bearing the related costs and seeking recourse from suppliers if the conditions are met, or by recording a capital loss that may not be recognized for tariff purposes under the applicable regulatory framework at the time, with consequent adverse effects on the Italgas Group’s economic and financial results.

The Italgas Group continues its strong commitment to work together with the “Italian measure instrument suppliers association” to stimulate the adoption of security requirements and mechanisms into intelligent devices such as smart meters, remote terminal units and valves to ensure adequate security and resilience levels against vulnerabilities and cyberattacks. Notwithstanding Italgas’ efforts to design solid security requirements to prevent cyberattacks, the risk associated with cybersecurity incidents cannot be completely eliminated.

Moreover, the Italgas Strategic Plan provides for the gradual installation of the *Nimbus* smart meter, the 'H2 ready' meter designed and developed by the Italgas Group. The Issuer plans to install 6 million units by 2030, including as partial replacements for the smart meters in operation as of the date of this Base Prospectus. With regard to the procurement of *Nimbus* smart meters, it cannot be ruled out that an unsuccessful outcome of the awarding procedures, as well as any disruption in one or more supplier production lines and/or other operational and/or financial issues, could result in delays in the execution of the replacement plan and/or increased costs compared to those envisaged in the Italgas Strategic Plan and/or compensation payments, with consequent adverse effects on the Italgas Group’s economic and financial results. Furthermore, the occurrence of malfunctions in the *Nimbus* smart meters cannot be excluded, which may require unplanned maintenance interventions and additional costs for the replacement of malfunctioning meters. In such cases, although the Italgas Group may seek recourse against suppliers where applicable, adverse effects on the Italgas Group’s economic and financial results may arise.

Risks associated with acquisitions and industrial partnerships

The Italgas Group has undertaken, and may undertake in the future, corporate operations, such as joint ventures with strategic partners, acquisitions or investments in Italy and abroad, which may increase the complexity of the Italgas Group's activities and whose success is difficult to predict.

In this context, the Italgas Strategic Plan provides, among other things, a growth strategy through external lines within which, in addition to the completion of the 2i Rete Gas acquisition that has occurred, the strengthening of the Italgas Group's presence in the water sector and in the energy efficiency services sector are framed.

It is not certain that said operations can be carried out in accordance with the planned procedures or produce the expected benefits and synergies. The integration process could also make additional expenditure and investment necessary.

If the aforementioned corporate operations fail to produce the expected synergies and benefits, there could be negative effects on the Italgas Group's operations, results, and financial position.

Acquisitions abroad, if any, may entail or result in additional risks for example (but not limited to) due to specific integration difficulties, unforeseen costs as well as the impact of any applicable tax, legal and regulatory framework and any related changes.

In order to support corporate operations, the Italgas Group intends to promote and maintain an adequate system of internal control (i.e., all the necessary or useful tools for addressing, managing and checking activities in the company aimed at ensuring compliance with corporate laws and procedures, protecting corporate assets, efficiently managing activities and providing precise and complete accounting and financial information).

The Italgas Group has also drawn up a process with which to promote and guarantee the protection of information assets, both of the Italgas Group and of the partners ecosystem who work with the Issuer, and to mitigate cyber risks and threats. For this reason, suppliers and third parties must formally undertake to comply with the principles and security guidelines.

In the context of corporate operations and supplier management, the Italgas Group also performs reputational due diligence activities, leveraging a consolidated risk-based approach, in order to evaluate and highlight alerts and red flags focused on a proprietary crime taxonomy. Such corporate intelligence activities are based on publicly available open sources collection and paid services. Due to the dynamic nature of the information that is used in order to identify anomalies and alerts according to the Italgas evaluation matrix, it is not possible to exclude that not all of the possible events of interest may be collected at the specific time when the reputational due diligence is performed.

The risks related to the 2i Rete Gas acquisition are those typical of risk capital investments following the acquisition of shares in a company and, particularly, the possibility that the shareholdings purchased suffer a material depreciation as a result of: (i) finding in the 2i Rete Gas group's equity economic and financial situation of contingent liabilities and/or overestimated assets, in a manner unknown or unforeseeable at the time of the purchase; and/or (ii) other factors not foreseeable upon completion of the 2i Rete Gas acquisition; and/or (iii) the failure to implement 2i Rete Gas's development plans and, therefore, the impossibility to achieve the expected results.

Although the Issuer carried out a proper due diligence prior to the completion of the 2i Rete Gas acquisition, it cannot be excluded that 2i Rete Gas group may present other significant critical issues that the Issuer was not able to find in the context of the due diligence made. Presence of any liabilities and/or critical issues in 2i Rete Gas could have negative effects on the business, operating results and the economic and financial situation of the Issuer and the Italgas Group.

Risks associated with dependence on management and specialised staff

The Italgas Group's capacity to carry out its business effectively depends on the abilities and effectiveness of its management and staff. The dependence on qualified management and staff, as well as the inability to attract, train or retain management and staff with the necessary qualifications (specifically with regard to technical positions, where availability of qualified staff is generally limited), or the emergence of disputes with employees, could affect Italgas' capacity to implement its long-term strategy and could have a negative impact on the Italgas Group's operations, results and financial position.

Risks relating to the Issuer's use of information technology to conduct its business

The Italgas Group's operations are increasingly reliant on information systems and information technology platforms (collectively, **IT**) to maintain and improve its operational efficiency.

Moreover, the Italgas Strategic Plan assumes an increasing use of IT technologies, through the extension of digital applications across the entire network and the development and adoption of artificial intelligence-based solutions across various business areas.

In light of the geopolitical scenario marked by conflicts and tensions directly or indirectly involving Europe, as well as the increasing technological complexity of digital infrastructures, the Italgas Group is exposed to the risk of cyberattacks.

In this context, several companies within Italgas Group, some already identified as subject to Directive (EU) 2016/1148, are now included under the scope of the new EU Directive 2022/2555 (**NIS2 Directive**), which updates and harmonizes the cybersecurity regulatory framework introduced in 2016.

The NIS2 Directive aims to enhance the overall level of cybersecurity within the European Union by establishing a more harmonized set of rules for operators across Member States and by introducing more reinforced requirements in the areas of risk management, incident prevention, and the continuity of essential services.

Italgas Group has defined organizational and technical actions to ensure compliance with the NIS2 Directive. Any failure or partial compliance with the NIS2 Directive would expose the Italgas Group to sanctions by the competent authorities, as well as potential reputational damage, with consequent adverse effects on its economic and financial results.

Notwithstanding the preventive measures implemented by the Italgas Group, the Issuer is exposed to multiple operational risks, including those arising from failures, telecommunications outages, malfunctions of services provided by cloud providers, cyberattacks, and security breaches, as well as other exceptional events that could compromise the operation of its IT infrastructure, the availability of managed data and information, and consequently the operation and/or timeliness of its processes. The Italgas Group may face illegal attempts to access its IT systems, including coordinated attacks by hacker groups which, if not promptly stopped, could result in the loss, theft, disclosure, or unauthorized processing of confidential information and personal data, the extraction or alteration of information, or the disruption of operational processes.

Risk management may require the adoption of additional measures in the future, which could entail further costs for the Italgas Group. Despite the adoption of such measures, the occurrence of one or more of these events—or similar events—or the failure to plan and implement adequate contingency measures in the event of a disruption, could have a negative reputational impact, adversely affect the Group’s ability to ensure operations in compliance with ARERA regulations in Italy and RAEWW regulations in Greece as well as cause disruptions and even prolonged interruptions to its business.

The loss, theft, disclosure, or unauthorized processing of personal data as a result of cybersecurity incidents could lead to reputational damage for the Italgas Group and result in sanctions imposed by the Italian Data Protection Authority or similar authorities in other countries.

The occurrence of any of the aforementioned events could have adverse effects on the Italgas Group’s financial and/or operating results, as well as on its reputation.

Risks associated with the macroeconomic scenario and the political, social and economic instability in natural gas supplier countries

A large portion of the natural gas transported through the Italian and Greek national transportation network is imported from or passes through countries that are currently politically, socially or economically unstable, and/or which may also suffer instability in the future. Importing natural gas from these countries, or transiting through them, is subject to risks inherent to these countries, including but not limited to: high inflation; volatile exchange rates; inadequate legislation on insolvency and creditor protection; social tensions and unrest; limits on investment and the import and export of goods; increases in taxes and excises; forced renegotiation of contracts; nationalisation or renationalisation of assets; political unrest; tensions with other countries; changes in trade policies; monetary restrictions; and losses or damage caused by disorder and unrest.

If a user of the distribution network service provided by Italgas Group cannot procure natural gas, directly or by Shipper, from the aforementioned countries because of said adverse conditions, or in any way suffers from said adverse conditions, and/or is consequently unable to fulfil contractual obligations towards the Italgas Group, this could have negative effects on the Italgas Group's operations, results, and financial position and consequently affect the Issuer's ability to meet its payments under the Notes.

If the supply of natural gas to clients of the Italgas Group is disrupted due to such adverse conditions, or is otherwise materially adversely affected by such adverse conditions, this may have a material adverse effect on the Italgas Group's business, cash flow, financial condition and results of operations and consequently affect the Issuer's ability to meet its payments under the Notes.

With reference to the risks related to the conflicts taking place around the world, Italgas confirms that it does not have any production activities or personnel located in the affected areas (Russia/Ukraine, the Middle East) nor does it have any commercial and/or financial relations with those countries. Italgas continues to see no materially significant restrictions to the execution of financial transactions or sources of supply.

Nevertheless, in a market that continues to be characterised by restrictions and slowdowns, especially in relation to the purchase of components, we cannot rule out that the political and economic tension induced by the conflicts may increase such difficulties and have implications, in a way that cannot yet be estimated or predicted, on the effectiveness and timeliness of the Italgas Group's procurement capacity.

2) Risks relating to the applicable regulatory framework

Regulatory risk

The Italgas Group conducts its main business in the gas distribution sector, which is a highly regulated sector. The relevant directives and legal provisions issued by the European Union and, in Italy and Greece, by the respective governmental and regulatory authorities (ARERA and the Greek Energy Authority (**RAAEY**), respectively) and, more generally, changes to the legislative (including accounting and fiscal legislation) and regulatory framework (including EEC regulation) may have a significant impact on the Italgas Group's operations, results and financial stability.

Considering the specific nature of the Italgas Group's main business and the context in which it operates, changes to the regulatory context with regard to the criteria for determining reference tariffs are particularly significant.

With regard to the gas distribution activities of the Italgas Group in Italy, ARERA has established the criteria for determining tariffs and service quality for gas distribution and metering for the fifth regulatory period (i.e., the reference regulatory period from 2020 to 2025), as well as the criteria for determining and updating the weighted average cost of capital (WACC) for the period 2022–2027.

As for the Italgas Group's activities in the water sector in Italy, in December 2023 ARERA approved the Tariff Method for the integrated water service for the fourth regulatory period (i.e., the reference regulatory period from 2024 to 2029), setting out the rules for calculating the costs eligible for tariff recognition. The rate of return on invested capital, which in the water sector consists of the sum of financial and fiscal charges, was set for the 2024–2025 period.

With regard to the Italgas Group's activities in Greece, RAEWW defines the regulation and the criteria for tariffs and regulated revenues, as well as for their revision, for each four-year regulatory period (currently, the reference regulatory period is from 2023 to 2026).

In estimating revenues and investments over the Italgas Strategic Plan horizon, the Issuer has assumed a regulatory framework consistent with the current one. It cannot be ruled out that, contrary to the continuity assumption underlying the Italgas Strategic Plan, the introduction of new regulatory periods in the sectors in which the Italgas Group operates and/or changes to the criteria for determining and updating the rates of return on invested capital may result in a deterioration of the tariff regulation, with significant adverse effects on the Italgas Group's financial, economic, and equity position.

Furthermore, depending on the evolution of macroeconomic variables observed annually, certain tariff parameters may be subject to annual changes and adjustments, including: (i) for gas distribution in Italy: the WACC, the revaluation rate of capital costs, and inflation for the portion of revenues covering recognized operating costs; (ii) for Greece: inflation for the annual update of distribution tariffs.

Regarding the water sector, the macroeconomic parameters that determine the update of tariff components (the gross fixed investment deflator, inflation for the update of operating costs, and the rate of return on invested capital) are published by the Authority every two years. Moreover, the approval of the tariff is delegated, on a biennial basis, to the relevant local governing body (EGA) for each concession. As a result of this regulatory framework, it cannot be ruled out that, in the event of a failure to approve the tariff within the expected timeframe or the approval of a tariff increase that does not ensure adequate coverage of the actual costs incurred by the operator - compared to the assumptions of the Italgas Strategic Plan - there could be significant adverse effects on the financial results of the Italgas Group.

With regard to gas distribution in Italy, Resolution No. 704/2016/R/gas introduced the remuneration mechanism for newly methanized areas (so-called "start-up municipalities"), i.e., areas with a first supply year after 2017. This mechanism sets a cap on the tariff recognition for local investments not covered by public contributions. Remuneration by ARERA is based on the so-called "three-phase" regime, which includes: a first phase lasting three years (in addition to the first year of supply) during which investments are fully recognized; a second phase in which a cap is applied based on a forward-looking assessment of the potential delivery points that could be connected to the network; and a third phase, starting from the sixth year of service management following the first year of supply, in which, if the cap is exceeded, a retroactive recalculation is carried out from the first year of service management, taking the tariff recognition cap into account. As a result of this regulatory framework, it cannot be ruled out that negative tariff adjustments may be applied to the Italgas Group for investments that exceed this cap. The areas primarily affected by this remuneration mechanism include Sardinia - where the Italgas Group operates through its subsidiary Medea - and certain networks located in Southern Italy.

With regard to gas distribution in Greece, prior to each regulatory period, each operator is expected to submit their business plan, their development plan and both tariff and WACC proposals to the Greek

Energy Authority for its approval; on the basis of such plans, the operator's regulated revenues and related distribution tariffs are calculated. Either non-approval or partial approval of the development plan submitted by Enaon group companies to the aforementioned authority could adversely affect Enaon's group investments, operations and results. Differently from Italy, the setting of tariffs in Greece is done as follows: the sum of estimated revenues divided by the sum of estimated volumes is discounted (using WACC as a discounting rate) to the first year of the regulatory period; for the next years this tariff is increased by the impact of inflation. In case the volume forecasts come out to be different from effective ones thus generating a deviation between actual and regulated revenues, such deviation (called "recoverable difference"), which can be either positive or negative, is considered in the definition of regulated revenues of the next regulatory period and is then expected to be recovered through the tariffs of the next 4 years.

Future changes in the legislative policies of the European Union and/or Italy and/or Greece as well as changes in the resolutions of ARERA and the Greek Energy Authority, which may have unforeseeable effects on the relevant legislative framework and therefore on the Italgas Group's operating activities and results, cannot be ruled out. The same applies to the regulatory framework.

In addition, the Italgas Group is exposed to the risk of regulatory non-compliance with respect to service quality and safety standards, which may result in investigative proceedings potentially leading to sanctioning or prescriptive measures, as well as the cancellation of bonuses and/or the imposition of penalties payable to the system and/or the recognition of compensation to sales companies or end customers, with significant adverse effects on the Italgas Group's financial results.

For further information please refer to the section "*Regulatory and legislative framework*" below.

Risks associated with the reimbursement provided to the outgoing operator

With regard to gas distribution concessions in Italy, Article 14, paragraph 8 of Decree 164/2000 establishes that the new operator is obliged, *inter alia*, to pay a sum to the outgoing distributor equal to the Reimbursement Value for the plants whose ownership is transferred from the outgoing distributor to the new operator, determined according to the provisions contained in the concessions and the current regulations. As a result of this discipline, there may be cases where the Reimbursement Value may be lower or higher than the value of the RAB (Regulatory Asset Base) which is the underlying assumption for the development of the Strategic Plan. The RAB of the Italgas Group in the Italian Gas distribution sector with reference to the investments made until 31 December 2024 was approximately €9.2 billion[3], as the sum of the Local RAB (as defined in the section headed "*Glossary of Terms and Legislation relating to the Issuer*" below) of approximately €8.9 billion and the Centralised RAB (as defined in "*Glossary of Terms and Legislation relating to the Issuer*" below) of approximately €0.3 billion.

The Reimbursement Value of the total portfolio of the concessions of the Italgas Group, net of free assignments, is based on the method provided for by Article 5 of MD 226, as amended, and by the Guidelines (as defined in the section headed "*Glossary of Terms and Legislation relating to the Issuer*" below), making an exception for concessions that, based on the aforementioned regulation, provide for specific contractual stipulations regarding the calculation of the Reimbursement Value (Roma Capitale, City of Venice and other smaller municipalities). It cannot be excluded that the Reimbursement Value of the concessions resulting from the Tenders, where a third party is an assignee, may be lower than the value of the RAB, that is, the value assumed by the Issuer in the development of the Strategic Plan. Such a case could have significant negative effects on the assets and the balance sheet, income statement and financial position of the Italgas Group.

[3]RAB refers to the last RAB defined for regulatory purposes related to the investments made until 31 December 2024, within the definition of the reference tariffs and related to the companies included in the scope of consolidation of the Issuer (*i.e.* Italgas Reti, Medea, Toscana Energia).

It should also be noted that, in the context of authorizing the 2i Rete Gas acquisition, the AGCM imposed certain measures on the Italgas Group in relation to its participation in tenders, which differ slightly with respect to 35 ATEMs on one hand, and another 30 ATEMs on the other. Specifically, under these measures, the Italgas Group must allow the winning operator of the relevant tenders to benefit, for a maximum period of three years in the case of the first 35 ATEMs (or 18 months for the other 30 ATEMs), from the date of actual takeover of service management, from a deferral of payment of the total RAB (Regulatory Asset Base) related to those concessions. This deferral shall apply an interest rate equal to the sum of a 0.60% margin (60 basis points) and the 10-year reference mid-swap rate published on Bloomberg on the date of contract signing. Exclusively with respect to the first 35 ATEMs, as an alternative to the described deferral, the Issuer must allow the winning operator of those tenders to benefit from compensation equal to the product of the amount of the waived deferral (the RAB) and an annual interest rate equal to the sum of a 360 basis point spread (i.e., 3.60%) and the 10-year mid-swap rate on that date, multiplied by the three-year deferral period.

In this regard, it cannot be ruled out that the Reimbursement Value of the concessions - including those subject to the AGCM decision mentioned above and awarded to third parties following the ATEM tenders - may be lower than the RAB value (*i.e.*, the value assumed by the Issuer in the preparation of the Italgas Strategic Plan), or may be recognized to the Italgas Group on a timeline different from that envisaged in the Italgas Strategic Plan. The occurrence of such events could have adverse effects on the operations and on the financial results of the Italgas Group.

In addition, the complexity of the applicable regulations, as well as possible divergent interpretations of the applicable provisions impacting the determination of the redemption value, could generate disputes or legal controversies, increasing the uncertainty regarding the amount of the redemption value and the timing of its payment, which could have possible negative effects on the balance sheet, income statement and financial position of the Italgas Group. At the date of this Base Prospectus, no specific interpretations were noted of the above-mentioned applicable legislation that could cause negative effects on the assets and the balance sheet, income statement and financial position of the Italgas Group.

3) Legal, compliance and taxation risks

Risks associated with legal proceedings and disputes

Italgas Group is involved in civil (including labour), administrative and criminal proceedings and in legal actions relating to its normal business activities. According to the information currently available and considering the existing risks, Italgas believes that these proceedings and actions will not have material adverse effects on its consolidated financial statements, also considering the provisions set aside in relation to such proceedings, pursuant to the Italgas policies.

With regard to litigation, it is noted that the total amount of the pertinent provision recorded in the interim condensed consolidated financial statements as of and for the three months ended 31 March 2025 is €7.6 million (€8.1 million on the consolidated financial statements for the year ending 31 December 2024).

If the said judicial proceedings will conclude unfavourably for Italgas and/or the provisions set aside are not sufficient to cover the losses resulting from the outcome of the legal proceedings underway, there could be negative effects on the Italgas Group's operations, results, and financial position. The same risk can also affect future judicial proceedings and the sufficiency of the relevant, even if updated, provisions.

Legal and non-compliance risk

Legal and non-compliance risk concerns the failure to comply, in full or in part, with the European, national, regional and local rules and regulations that the Italgas Group must comply with for the activities that it carries out. The violation of such rules and regulations may result in criminal, civil and/or administrative proceedings and/or sanctions, as well as damage to the Issuer's balance sheet, financial position and reputation. Concerning specific cases, the violation of regulations for the protection of workers' health and safety and of the environment, and the violation of anti-corruption rules or data protection rules as well as of certain tax rules and other criminal provisions, may also result in (potentially significant) sanctions against Italgas and its subsidiaries based on the administrative responsibility of entities (Legislative Decree No. 231 of 8 June 2001) and on Regulation 2016/679 (GDPR).

Risks associated with taxation

Any unfavourable change in the rate of income tax, other taxes or duties applicable to the Italgas Group could have negative effects on the Italgas Group's operations, results, economic and financial position. The same can be said in case of negative results of judicial proceedings concerning tax laws and rules, in which Italgas and its subsidiaries may be involved.

Italgas Group companies are frequently subject to control activities by financial administrative bodies and taxing authorities, whose outcome may result in additional tax expenditures and fines.

4) Financial risks

Risk of changes in interest rates and inflation and deflation risks

Fluctuations in interest rates affect the market value of Italgas' financial assets and liabilities and its net financial expense.

As of 31 March 2025, the financial debt at floating rate is 22.4% and the one at fixed rate is 77.6%.

As of the same date, the Italgas Group used external financial resources in the following forms: bonds subscribed by institutional investors, bilateral and syndicated loans with banks and other financial institutions, in the form of medium-to-long-term loans and bank credit lines at interest rates indexed to benchmark market rates, in particular the Europe Interbank Offered Rate (**Euribor**).

Therefore, a rise in interest rates (Euribor), in case it will be partially included and/or included with delay, in the allowed WACC calculation could have adverse effects on the Italgas Group's operations, results, balance sheet and cash flows. The Issuer's financial strategy currently includes the use of interest rate hedging instruments.

Changes in the prices of goods, equipment, materials and workforce could have an impact on Italgas' financial results. Any change caused by inflationary or deflationary processes could have a significant impact on the Italgas Group's results. In particular, a prolonged period of deflation or inflation that is lower than forecast could have negative effects, in case it will be partially included and/or included with delay on the RAB value, could adversely affect the Italgas Group's operations, results, balance sheet and cash flows.

Credit risk

Credit risk is the exposure of the Italgas Group to potential losses arising from counterparties' failure to fulfil their obligations. Default or delayed payment of consideration for services rendered and/or fees due may have a negative impact on the financial balance and results of the Italgas Group.

For the risk of non-compliance by the counterparty concerning contracts of a commercial nature, the credit management for credit recovery and any disputes are handled by the business units and the centralised Italgas departments.

The Italgas Group provides its distribution services to certain sales companies, with Eni the largest by revenue. The rules for user access to gas distribution service are established by ARERA and are set out in the Network Codes (as defined in section headed "*Glossary of Terms and Legislation relating to the Issuer*" below), or in documents that establish, for each type of service, the rules governing the rights and obligations of the parties involved in providing said services and have contractual conditions which minimise the risk of non-compliance by the clients.

The maximum exposure of Italgas to credit risk as of 31 March 2025 is represented by the book value of the financial assets recorded in the interim condensed consolidated financial statements of the Italgas Group as of and for the three months ended 31 March 2025. In Italy, on average, 98.7% of trade receivables relating to gas distribution are settled by the due date and over 99.7% within the following 4 days, confirming the strong reliability of customers. In Greece, on average, 97.8% of trade receivables relating to gas distribution are settled by the due date and approximately all within the following 4 days, confirming the strong reliability of customers. Receivables from other activities represent a non-significant portion for the Company.

The Italgas Group may, however, incur liabilities and/or losses from the failure of its clients to comply with payment obligations, as well as from the failure to recover, in full or in part, payments, also given the current economic and financial situation, which makes the collection of receivables more complex and critical. Nevertheless, trade receivables deriving from the gas distribution service to customers without an adequate rating are covered, according to the criteria defined in the Network Codes, by a financial guarantee provided by a primary banking or insurance institution.

Risks associated with the rating of the Issuer

As at the date of this Base Prospectus, the Issuer's long-term rating is "BBB+ **-** stable outlook" by Fitch Ratings Ireland Limited (**Fitch**), "Baa2 - stable outlook" by Moody's Italia S.r.l. (**Moody's**) and "BBB+ - stable outlook" by S&P Global Ratings Europe Limited (**S&P**) (each a **Rating Agency** and together the **Rating Agencies**).

As at the date of this Base Prospectus, Fitch, Moody's and S&P 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 https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. Generally, a credit rating assesses the creditworthiness 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.

Credit ratings play a critical role in determining the costs for entities accessing the capital market in order to borrow funds and the rate of interest they can achieve. A decrease in credit ratings by Moody's and/or Fitch and/or S&P may increase borrowing costs or even jeopardise further issuance. The prices of the existing bonds may deteriorate following a downgrade.

In addition, the Issuer's credit ratings are potentially exposed to risk in reductions of the sovereign credit rating of the Republic of Italy.

Based on the methodologies adopted by the rating agencies, a downgrade of one notch in the Italian Republic's current rating could trigger a downward adjustment in Italgas' current rating.

Liquidity risk

Liquidity risk is the risk that new financial resources may not be available (funding liquidity risk) or that the company may be unable to convert assets into cash on the market (asset liquidity risk), meaning that it cannot meet its payment commitments. This may affect profit or loss should the company incur extra costs to meet its commitments or, in extreme cases, lead to insolvency and threaten the company's future as a going concern.

In addition to the availability of bond issues to be placed with institutional investors under the present Euro Medium Term Notes (**EMTN**) programme, as at 31 March 2025 Italgas has unrestricted cash available on bank accounts (€2,573.2 million). Following the acquisition of 2i Rete Gas occurred on 1 April 2025, the residual funds may be used to address possible liquidity needs, where necessary, if the actual borrowing requirement is higher than estimated.

Italgas aims at establishing a financial structure that, in line with its business objectives, ensures a level adequate for the Group in terms of the duration and composition of the debt. The achievement of this financial structure will take place through the monitoring of certain key parameters, such as the ratio between debt and the RAB, the ratio between short-term and medium-/long-term debt, the ratio between fixed rate and floating rate debt and the ratio between bank credit granted and bank credit used.

Risk of acceleration

The risk of acceleration consists of the possibility that the loan contracts which have been concluded contain provisions that provide the lender with the ability to activate contractual protections that could result in the early repayment of the loan in the event of the occurrence of specific events, thereby generating a potential liquidity risk.

As at the date of this Base Prospectus, the Issuer has unsecured bilateral and syndicated loan agreements in place with banks and other financial institutions. Some of these contracts provide, *inter alia*, for the following: (i) negative pledge commitments pursuant to which the Issuer and its subsidiaries are subject to limitations concerning the pledging of real property rights or other restrictions on all or part of the respective assets, shares or merchandise; (ii) *pari passu* and change-of-control clauses; and (iii) limitations on certain extraordinary transactions that the Issuer and its subsidiaries may carry out.

The Notes to be issued by the Issuer as part of the Programme provide for compliance with covenants that reflect international market practices regarding, *inter alia*, negative pledge and *pari passu* clauses.

Failure to comply with these covenants, and the occurrence of other events, some of which are subject to specific threshold values such as cross-default events, could trigger the early repayment of the related loan. The occurrence of one or more of the aforementioned scenarios could have a negative effect on the Italgas Group's operations, results, balance sheet and cash flows.

Structural subordination risks for the holders of the Notes

The Issuer is organised as a holding company that conducts essentially all of its operations through its direct and indirect subsidiaries and depends primarily on the earnings and cash flows of, and the distribution of funds from, these subsidiaries to meet its debt obligations, including its obligations under the Notes.

The subsidiaries have no obligations, contingent or otherwise, to pay any amounts due under the Notes or to make funds available to the Issuer to enable it to pay any amounts due under the Notes. Generally, creditors of a subsidiary, including trade creditors, secured creditors and creditors holding indebtedness and guarantees issued by the subsidiary, and preferred shareholders, if any, of the subsidiary, will be entitled to the assets of that subsidiary before any of those assets can be distributed to shareholders upon liquidation or winding up. As a result, the Issuer's obligations under the Notes issued by it may effectively be subordinated to the prior payment of all the debts and other liabilities, including the right of trade creditors and preferred shareholders, if any, of the Issuer's direct and indirect subsidiaries. The Issuer's subsidiaries have other liabilities, including contingent liabilities, which could be substantial.

5) Social and environmental risks

Risks associated with climate change

Climate change entails risks that, if not anticipated and monitored, could impact Italgas' operational continuity and results. As regards to physical risks, the potential increase in the frequency of extremely intense natural events in the places where Italgas operates could cause the more or less prolonged unavailability of assets and infrastructure, an increase in repair and insurance costs, service interruption, a reduction in the number of active redelivery points served, etc. With reference to the ongoing energy transition process, there are elements of uncertainty related to the possible change in the Italian and EU legislative and regulatory context and financial markets, as well as technological development and developments in the energy market and consumption.

Italgas is engaged on various fronts with the intention of further reducing CO_2 emissions and energy consumption aiming to be ahead of the EU targets set for 2030. Moreover Italgas is committed in transforming its networks into digital infrastructures enabling the distribution of gases other than methane, such as hydrogen and biomethane, promoting sustainable mobility by connecting CNG charging stations to the network for normal and heavy goods vehicles nationwide, and contributing to the development of power-to-gas technology to produce gas that can be used in the existing networks through renewable energy storage systems and by conducting energy efficiency projects. Italgas continues in its commitment to promoting responsible business practices, confirming its compliance with the United Nations Global Compact, the largest voluntary initiative at global level with regard to sustainability aspects. Italgas also joined UNEP's OGMP 2.0 Initiative for the voluntary reporting of a credible path for the reduction of methane emissions, consistent with Scope 1 GHG reduction target mentioned above.

Risks associated with environmental protection and the restoration of polluted sites

Environmental risks may affect the activities and/or the building/development of the Italgas Group and of new networks by the newly acquired companies.

The Italgas Group is and may in the future be subject to reclamation obligations relating to certain sites where an industrial activity has been carried out in the past, like the distillation of coal for gas production or oil cracking for gas production. The environmental obligations also include the removal and decommissioning of obsolete facilities and machinery and the disposal of material containing asbestos.

At 31 March 2025, the Italgas Group's provision for risks associated with the reclamation amounted to €41.2 million. This represents the best estimate at the reporting date to cover all the costs and liabilities relating to the fulfilment of requirements set out in the current regulations. To cover the liabilities estimated in relation to the formalities required by the law in effect, a special fund has been set up.

Since 2001, the competent authorities have been notified of the risk provision made for each site, based on the amounts established from specific assessments made by engineering companies specialising in the sector. The amount of the provision is adjusted according to determinations, always certified by independent entities, that might emerge during the process of reclamation required by law. It is possible that, during the planning phases for reclamation, the assessment of the risks associated with the site to be reclaimed, and the estimated resources required to implement the relative action plan, will be updated to cover all the costs and liabilities arising from the environmental restoration activities required by law.

It is possible, however, that if Italgas Group companies were to incur costs exceeding the amounts budgeted for or established pursuant to the aforementioned agreements, there would be negative effects on the Italgas Group's operations, balance sheet and cash flows.

In addition, Medea S.p.A. (**Medea**), a distribution company based in Sassari, operates a natural gas and LPG network. The last four LPG storages are in the big cities of Cagliari, Sassari, Oristano and Nuoro and have to be operated in compliance with the "Seveso Directive" (Directive 2012/18/EU), which was implemented in Italy by Legislative Decree 105/2015 (which has replaced Legislative Decree 334/1999). Medea also manages 101 LNG plants, serving the gas distribution networks realized by the company.

Risks associated with environmental, health and safety protection

The activities that the Italgas Group engages in present certain hazard profiles. There is also a possibility that the performance of such activities will cause harm to third parties and/or Italgas employees. The Italgas Group is subject to national and European rules and regulations on environmental, and health and safety protection, to safeguard both third parties and Italgas Group employees.

As part of its activities, Italgas uses hazardous or potentially hazardous products. Furthermore, some of the activities it carries out that are not currently considered harmful, or whose hazardous nature has not yet been proven, could be considered harmful in the future as a result of amendments to the regulatory framework. The Italgas Group and the sites where it operates are subject to rules and regulations (including town planning regulations) on pollution, environmental protection and the use and disposal of hazardous substances and waste. These rules and regulations expose Italgas to costs and liabilities relating to its activities and facilities, including those relating to sites used for the disposal of waste or the decommissioning of facilities. The costs and expenses generated by the environmental restoration obligations that the Italgas Group may incur are subject to different variables, such as the seriousness of the pollution, the corrective measures necessary and the extent of Italgas liability. These elements are, by their very nature, difficult to estimate.

Italgas cannot predict whether, and to what extent, environmental regulations may become more restrictive over time, and cannot guarantee that the costs and expenses necessary to comply with its obligations under environmental regulations will not increase, or that these costs will be recoverable through the tariff mechanism and the applicable regulations. Substantial increases in the costs and expenses necessary in order to fulfil the obligations referred to in the environmental rules, or other costs and fines, may have adverse negative effects on the reputation, and on the operations, results and economic and financial position, of the Italgas Group.

RISKS FACTORS RELATING TO THE NOTES

1) Risks related to the structure of a particular issue of Notes which may be issued under the Programme

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Notes:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider the reinvestment risk in light of other investments available at that time.

In addition, with respect to Condition 6.5 (*Redemption at the option of the Issuer (Clean-Up Call)*), (i) there is no obligation under such Condition for the Issuer to inform investors if and when 20 per cent. or less of the initial aggregate principal amount of a particular Series of Notes remains outstanding, and (ii) the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-Up Call, the Notes may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing market rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

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

Second-party Opinions may not reflect the potential impact of all risks related to the Step Up Notes (also referred to as Sustainability-linked Notes) or any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds"

The Issuer intends to publish a sustainable finance framework (the **Sustainability-Linked Bond Framework**) which will be available on the Issuer's website at www.italgas.it. The Sustainability-Linked Bond Framework will evidence how the Company is willing to support its sustainability strategy and vision via the utilisation of various sustainability-linked financing instruments, in accordance with the Sustainability-Linked Bond Principles (the **SLBP**) administered by the International Capital Markets Association (**ICMA**). The Sustainability-Linked Bond Framework was reviewed by ISS Corporate Solutions, appointed by the Issuer to provide a Second-party Opinion confirming the alignment of the Sustainability-Linked Bond Framework with the SLBP (the **Sustainability-Linked Bond Framework Second-party Opinion**). The Sustainability-Linked Bond Framework Second-party Opinion or any other opinion, report or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Step Up Notes or any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds" (together with the Sustainability-Linked Bond Framework Second-party Opinion, the **Second-party Opinions**) may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of any Step Up Notes or any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds" issued under the Programme. Any Second-party

Opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released. A withdrawal of the Sustainability-Linked Bond Framework Second-party Opinion or any other relevant Second-party Opinion may affect the value of any such Step Up Notes or any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds" and/or may have consequences for certain investors with portfolio mandates to invest in sustainability-linked, green, social or sustainable assets (as applicable). Italgas does not assume any obligation or responsibility to release any update or revision to the Sustainability-Linked Bond Framework and/or information to reflect events or circumstances after the date of publication of the Sustainability-Linked Bond Framework and, therefore, an update or a revision of the Sustainability-Linked Bond Framework Second-party Opinion may or may not be requested to an independent second party opinion provider of internationally recognised standing appointed by the Issuer.

Moreover, Second-party Opinion providers are not currently subject to any specific regulatory or other regime or oversight. Any Second-party Opinion is not, nor should be deemed to be, a recommendation by the Issuer, any member of the Italgas Group, the Dealers or any other member of their group (including parent companies), any Second-party Opinion providers, the External Verifier (as defined in Condition 4.3 (*Step Up Option*)) or any other person to buy, sell or hold any Step Up Notes or any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds". Noteholders have no recourse against the Issuer, any of the Dealers or any other member of their group (including parent companies) or the provider of any Second-party Opinion for the contents of any such Second-party Opinion, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any Second-party Opinion and/or the information contained therein and/or the provider of such Second-party Opinion for the purpose of any investment in any Step Up Notes or in any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds". Any withdrawal of any Second-party Opinion or any such opinion or certification attesting that the Italgas Group is not complying in whole or in part with any matters for which such Second-party Opinion is opining on or certifying on may have a material adverse effect on the value of any Step Up Notes or any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds" and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Step Up Notes (also referred to as Sustainability-linked Notes) may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics

Although the interest rate relating to the Step Up Notes is subject to upward adjustment in certain circumstances specified in the "Terms and Conditions of the Notes" (the **Conditions**), such Notes may not satisfy an investor's requirements or any future legal or quasi legal standards for investment in assets with sustainability characteristics. Neither the Arrangers, the Dealers, nor any of their respective affiliates (including parent companies) make any representation as to the suitability of the Step Up Notes to fulfil any sustainability criteria required by prospective investors. The Arrangers, the Dealers and their respective affiliates (including parent companies) have not undertaken, nor are responsible for, any verification of whether the Step Up Notes meet any sustainability criteria required by prospective investors.

Step Up Notes may or may not be marketed as green bonds, social bonds or sustainability bonds depending on whether the Issuer expects to use an amount equal to the relevant net proceeds for general corporate purposes or if the Issuer intends to allocate an amount equal to the net proceeds specifically to projects or business activities meeting environmental or sustainability criteria, the positive social outcomes criteria, a combination of the same or to be subject to any other limitations associated with green bonds, social bonds or sustainability bonds (see also *"In respect of any Notes issued as "Green Bonds" or "Social Bonds", or "Sustainability Bonds" there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor"* below). The intended use of proceeds in respect of any issue of Step Up Notes will be specified in the applicable Final Terms. See also "*Second-party Opinions may not reflect the potential impact of all risks related to the Step Up Notes (also referred to as Sustainability-linked Notes) or any Notes issued as "Green Bonds", "Social*

Bonds" or "Sustainability Bonds" above, and *"In respect of any Notes issued as "Green Bonds" or "Social Bonds", or "Sustainability Bonds" there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor"* below.

In addition, the interest rate adjustment in respect of Step Up Notes depends on a definition of, as the case may be, Scope 1 and 2 market-based GHG Emissions and/or Scope 3 from supply chain GHG Emissions and/or Net Energy Consumption that may be inconsistent with investor requirements or expectations or other definitions relevant to greenhouse gas emissions and/or energy consumption.

The Scope 1 and 2 market-based GHG Emissions, Scope 3 from supply chain GHG Emissions and Net Energy Consumption are defined in the Conditions. In each case, the Issuer has not obtained third-party analysis of its definition of Scope 1 and 2 market-based GHG Emissions or Scope 3 from supply chain GHG Emissions or Net Energy Consumption or related definitions or how such definitions relate to any sustainability-related standards other than (a) its Sustainability-Linked Bond Framework which was reviewed by ISS Corporate Solutions (in order to confirm alignment with ICMA's Sustainability-Linked Bond Principles) and (b) the limited assurance verification of its sustainability performance targets against sustainable key performance indicators by the Issuer's auditors in respect of its Integrated Annual Report or Separate Report.

Although the Issuer targets (i) decreasing its direct and indirect greenhouse gas emissions (Scope 1 and 2 market-based GHG Emissions, Scope 3 from supply chain GHG Emissions) and (ii) decreasing the energy consumed (Net Energy Consumption), there can be no assurance of the extent to which it will be successful in doing so or that any future investments it makes in furtherance of these targets will meet investor expectations or any binding or nonbinding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact. Adverse environmental or social impacts may occur during the design, construction and operation of any investments the Issuer makes in furtherance of these targets or such investments may become controversial or criticized by activist groups or other stakeholders. See also *"No relevant Step Up Margin will be payable in case of failure by the Issuer to satisfy the Net Energy Consumption Reduction Condition and/or the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition, as the case may be, in case of occurrence of certain events impacting on the Issuer's ability to comply with its sustainability targets"* below.

Furthermore, following the occurrence of a Perimeter Redetermination Event the Issuer may unilaterally change the Perimeter applicable to the definition of, as the case may be, Scope 1 and 2 market-based GHG Emissions and/or Scope 3 from supply chain GHG Emissions and/or Net Energy Consumption.

Lastly, no Event of Default shall occur under the Step Up Notes, nor will the Issuer be required to repurchase or redeem such Notes, if the Issuer fails to reduce its Scope 1 and 2 market-based GHG Emissions and Scope 3 from supply chain GHG Emissions and Net Energy Consumption.

No relevant Step Up Margin will be payable in case of failure by the Issuer to satisfy the Net Energy Consumption Reduction Condition and/or the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition, as the case may be, in case of occurrence of certain events impacting on the Issuer's ability to comply with its sustainability targets

The interest rate adjustment in respect of any Sustainability-Linked Notes issued under the Programme depends on a definition of Net Energy Consumption and/or Scope 1 and 2 market-based GHG Emissions and/or Scope 3 from supply chain GHG Emissions that may be inconsistent with investor requirements or expectations or other definitions relevant to renewable energy and/or greenhouse or natural gas emissions (see *"Step Up Notes (also referred to as Sustainability-linked Notes) may not be* *a suitable investment for all investors seeking exposure to assets with sustainability characteristics"* above). Furthermore, in relation to the occurrence of Step Up Event, the Conditions specify that no Step Up Event shall occur in case of the failure of the Issuer to satisfy the Net Energy Consumption Reduction Condition and/or the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition, as the case may be, due to (a) an amendment to, or change in, any applicable policies, laws, regulations, rules and guidelines applicable to and/or relating to the Group's business or a decision of a competent authority which has a direct and/or indirect impact on the Issuer's ability to satisfy the Net Energy Consumption Reduction Condition and/or the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition, as the case may be, in each case as at the relevant reference date, and/or (b) any Concession granted to the Issuer and/or its Subsidiaries being amended, revoked or terminated for any reason whatsoever prior to the relevant expiration date (and such revocation or termination becomes effective in accordance with its terms) or the relevant expiration date being shortened which has a direct and/or indirect impact on the Issuer's ability to satisfy the Net Energy Consumption Reduction Condition and/or the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition, as the case may be. As a result, the occurrence of any such events may result in the Issuer being unable to satisfy the Net Energy Consumption Reduction Condition and/or the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition, but, respectively, the Net Energy Consumption Reduction Event and/or the Scope 1 and 2 market-based GHG Emissions Reduction Event and/or the Scope 3 from supply chain GHG Emissions Reduction Event not being triggered. If this is the case, no relevant Step Up Margin will be paid in respect of the relevant Sustainability-Linked Notes.

The Issuer may unilaterally change the sustainability targets and baselines applicable to the Sustainability-Linked Notes as a consequence of the occurrence of certain events, including a Baseline Recalculation Event and a Percentage Recalculation Event

Following the occurrence of a Baseline Recalculation Event (as defined in the Conditions of the Notes), the Conditions of the Notes permit the Issuer to recalculate, at its discretion, the Net Energy Consumption Baseline, the Scope 1 and 2 market-based GHG Emissions Baseline and/or the Scope 3 from supply chain GHG Emissions Baseline to reflect any Baseline Recalculation Event. Following the occurrence of a Percentage Recalculation Event (as defined in the Conditions of the Notes), the Conditions of the Notes permit the Issuer to recalculate, at its discretion, the Net Energy Consumption Reduction Percentage, the Scope 1 and 2 market-based GHG Emissions Reduction Percentage and/or the Scope 3 from supply chain GHG Emissions Reduction Percentage to reflect any Percentage Recalculation Event. Accordingly, while any such recalculation must be disclosed in accordance with the Conditions and verified by an independent, qualified reviewer, any recalculation may increase or decrease the volume of net energy consumed and/or carbon dioxide produced used as a baseline and/or the percentage by which the Net Energy Consumption, the Scope 1 and 2 market-based GHG Emissions and/or the Scope 3 from supply chain GHG Emissions are to be reduced, and therefore any such recalculation may respectively increase the volume of net energy and/or carbon dioxide that may be consumed or produced by the Group, as the case may be, or decrease the total volume of reduction of net energy consumed and/or carbon dioxide produced that needs to be achieved by the Group, while still being able to satisfy the Net Energy Consumption Reduction Condition, the Scope 1 and 2 market-based GHG Emissions Reduction Condition and the Scope 3 from supply chain GHG Emissions Reduction Condition and, therefore, avoid the occurrence of a Step Up Event.

Failure to satisfy the Net Energy Consumption Reduction Condition and/or the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition may have a material impact on the market price of any Sustainability-Linked Notes issued under the Programme and could expose the Group to reputational risks

Although on issue of any Sustainability-Linked Notes under the Programme, the Issuer's intention will be to reduce the Group’s Net Energy Consumption, Scope 1 and 2 market-based GHG Emissions and Scope 3 from supply chain GHG Emissions, there can be no assurance of the extent to which it will be successful in doing so, that the Issuer may decide not to continue with achieving such sustainability targets or that any future investments it makes in furtherance of achieving such objectives will meet investor expectations or any binding or non-binding legal standards regarding sustainability performance, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact.

Any of the above could adversely impact the trading price of Sustainability-Linked Notes and the price at which a holder of Sustainability-Linked Notes will be able to sell its Sustainability-Linked Notes in such circumstance prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Noteholder - See also *"Step Up Notes (also referred to as Sustainability-linked Notes) may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics"* above for a description of the risk that Sustainability-Linked Notes may not satisfy an investor's requirements or any future legal or other standards for investment in assets with sustainability characteristics.

In addition, a failure by the Group to satisfy the Net Energy Consumption Reduction Condition and/or the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition, as the case may be, or any such similar sustainability performance targets the Group may choose to include in any future financings would not only result in increased interest payments under Sustainability-Linked Notes issued under the Programme or other relevant financing arrangements, but could also harm the Group’s reputation. Furthermore, the Group’s efforts in satisfying the Net Energy Consumption Reduction Condition and/or the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition, as the case may be, may become controversial or be criticised by activist groups or other stakeholders. Each of such circumstances could have a material adverse effect on the Group, its business prospects, its financial condition or its results of operations.

A portion of the Group’s indebtedness through the issuance of Sustainability-Linked Notes may include certain triggers linked to sustainable key performance indicators

A portion of the Group’s indebtedness may include certain triggers linked to sustainable key performance indicators such as Net Energy Consumption, Scope 1 and 2 market-based GHG Emissions and Scope 3 from supply chain GHG Emissions (see *“Step Up Notes (also referred to as Sustainability-linked Notes) may not be a suitable investment for all investors seeking exposure to assets with sustainability characteristics”* above) which must be complied with by the Issuer, and in respect of which a Step Up Option applies, if applicable in the applicable Final Terms. The failure to meet any such sustainable key performance indicators will result in increased interest amounts under such Notes, which would increase the Group’s cost of funding and which could have a material adverse effect on the Group, its business prospects, its financial condition or its results of operations.

In respect of any Notes issued as "Green Bonds" or "Social Bonds", or “Sustainability Bonds” there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

The Final Terms relating to any specific issue of Notes may provide that it will be the Issuer's intention to apply, in whole or in part, the proceeds from an offer of those Notes specifically for (i) projects and activities that promote climate-friendly and other environmental purposes (**Eligible Green Projects**) or (ii) projects with positive social outcomes (**Eligible Social Projects**) or (iii) a combination of Eligible Green Projects and Eligible Social Projects, in accordance with the principles set out by ICMA (respectively, the green bond principles (the **Green Bond Principles** or **GBP**) or the social bond principles (the **Social Bond Principles** or **SBP**) or the sustainability bond guidelines (the **Sustainability Bond Guidelines** or **SBG**)).

Prospective investors should have regard to the information in "Use of Proceeds" section of this Base Prospectus and the applicable Final Terms regarding the use of the net proceeds of those Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular, no assurance can be given by the Issuer, any other member of the Group or the Dealers that the use of such net proceeds for any Eligible Green Projects, Eligible Social Projects or a combination of the foregoing will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether under any present or future applicable law or regulations (including, amongst others, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment) or under its own bylaws or other governing rules or investment portfolio mandates.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change. Accordingly, there is a risk that any projects or uses the subject of, or related to, any Notes will meet any or all investor expectations regarding such "green" "social" or "sustainable" or other equivalently-labelled performance objectives.

A basis for the determination of such definitions has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the **Sustainable Finance Taxonomy Regulation**) on the establishment of a framework to facilitate sustainable investment (the **EU Sustainable Finance Taxonomy**) and the Sustainable Finance Taxonomy Regulation Delegated Acts for climate change mitigation and adaption (the **Sustainable Finance Taxonomy Regulation Delegated Acts**) adopted by the EU Commission on 21 April 2021 and formally adopted on 4 June 2021 for scrutiny by the co-legislators (the Sustainable Finance Taxonomy Regulation and the Sustainable Finance Taxonomy Regulation Delegated Acts, jointly, the **EU Taxonomy Regulation**). The final social taxonomy report on transition activities for the EU Sustainable Finance Taxonomy was published by the Platform on Sustainable Finance on 28 February 2022. The Sustainable Finance Taxonomy Regulation Delegated Acts entered into force on 1 January 2022. In addition, on 10 March 2022 the European Commission adopted the EU Taxonomy Complementary Climate Delegated Act covering certain nuclear and gas activities, which is applicable since January 2023. Furthermore, on 6 April 2022 the European Commission adopted the Regulatory Technical Standards (RTS) to Regulation (EU) 2019/2088 (the **Sustainable Finance Disclosure Regulation**) which is applicable since 1 January 2023. In addition, on 25 July 2022 Commission Delegated Regulation (EU) 2022/1288, supplementing the Sustainable Finance Disclosure Regulation with regard to RTS specifying the details of the content and presentation of the information in relation to the principle of "do no significant harm", specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports (the **SFDR RTS**), was published in the Official Journal. The new regulatory technical standards are applicable since 1 January 2023. On 31 October 2022 the European Commission adopted the Delegated Regulation (EU) 2023/363 of 31 October 2022 amending and correcting the standards laid down in the SFDR RTS to ensure investors receive information reflecting provisions set out in the Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022. The Delegated Regulation has been published in the Official Journal on 17 February 2023 and has come into force on the third day after publication in the Official Journal. Any further delegated act that is adopted by the EU Commission in the implementation of the Sustainable Finance Taxonomy Regulation or the Sustainable Finance Disclosure Regulation may furthermore evolve over time with changes to the scope of activities and other amendments to reflect technological progress, resulting in regular review to the relating screening criteria.

On 18 June 2019, the Commission Technical Expert Group on sustainable finance published its final report on a future European standard for green bonds (the **EU Green Bond Standard**). In the context of the public consultation on the renewed sustainable finance strategy, the European Commission launched a targeted consultation on the establishment of an EU Green Bond Standard, that builds and consults on the work of the Commission Technical Expert Group and has run between 12 June and 2 October 2020. On 19 October 2020, the European Commission published the Commission Work Programme 2021, in which the European Commission expressed the intention to deliver a legislative proposal by the end of the second quarter of 2021. On 6 July 2021, the European Commission officially adopted a legislative proposal for a EU Green Bond Standard setting out four main requirements: (i) allocation of the funds raised by the green bond should be made in compliance with the EU Taxonomy Regulation; (ii) full transparency on the allocation of the green bond proceeds; (iii) monitoring and compliance activities to be carried out by an external reviewer; and (iv) registration of external reviewers with the ESMA and subject to its supervision. In this respect, on 28 February 2023, the European Parliament and the Council reached a political agreement on the Commission's proposal for an EU Green Bond Standard. In particular, issuers of an EU Green Bond Standard would need to ensure that at least 85% of the funds raised by the bond are allocated to economic activities that align with the EU Taxonomy Regulation. The proposal was approved by the European Parliament on 5 October 2023 and by the Council on 23 October 2023. Consequently, on 30 November 2023, Regulation (EU) 2023/2631 (the **EU Green Bond Standard Regulation**) was published in the Official Journal of the EU. The EU Green Bond Standard Regulation is applicable as from 21 December 2024 with a transition period for certain requirements until 21 June 2026.

Any Green Bond issued under the Programme will not be compliant with the EU Green Bond Standard Regulation. It is not clear if the establishment of the "European Green Bond" or "EuGB" label and the optional disclosures regime for bonds issued as "environmentally sustainable" under the EU Green Bond Standard Regulation could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures regime, such as the Green Bonds issued under this Programme. It could result in reduced liquidity or lower demand or could otherwise affect the market price of any Green Bonds issued under this Programme that do not comply with the standards under the EU Green Bond Standard Regulation.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Eligible Green Projects, Eligible Social Projects or a combination of the foregoing and to obtain the relevant opinion or certification of any third party which may be made available in connection with the issue of any such Notes in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the Issuer will be able to do this. Any failure to apply the proceeds of any issue of Notes for any Eligible Green Projects, Eligible Social Projects or a combination of the foregoing as aforesaid and/or withdrawal of any such opinion or certification or any negative change in such opinion or certification or any such Notes no longer being listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market may have a material adverse effect on the value of such Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the GBP and/or the SBP and/or the SBG and/or the EU framework standard. Such changes may have a negative impact on the market value and the liquidity of any "Green Bonds", "Social Bonds" issued prior to their implementation.

Investors should also consider that the Dealers have not undertaken, nor are responsible for, any assessment of the Green Bond Principles or Social Bond Principles, any verification of whether the Eligible Green Projects, Eligible Social Projects or a combination of the foregoing comply with the meet the Green Bond Principles or Social Bond Principles, or the monitoring of the use of proceeds.

See also "*Second-party Opinions may not reflect the potential impact of all risks related to the Step Up Notes (also referred to as Sustainability-linked Notes) or any Notes issued as "Green Bonds", "Social Bonds" or "Sustainability Bonds*" above.

There are particular risks associated with an investment in certain types of Notes, such as Inflation Linked Notes, CMS Linked Interest Notes and Constant Maturity BTP Linked Interest Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes

The Issuer may issue Notes with principal or interest determined by reference to an index, in the case of Inflation Linked Notes, or with interest determined by reference to the CMS Rate, in the case of CMS Linked Interest Notes or the Constant Maturity BTP Rate, in the case of Constant Maturity BTP Linked Interest Notes (each, a **Relevant Factor**). Potential investors should be aware that:

a) the market price of such Notes may be volatile;

b) they may receive no interest;

c) in the case of Inflation Linked Notes, payment of principal or interest may occur at a different time than expected;

d) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices;

e) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

f) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of a Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

Risks relating to Inflation Linked Notes

The Issuer may issue Inflation Linked Notes (being either an Inflation Linked Interest Note, an Inflation Linked Redemption Note or a combination of the two) where the amount of principal (subject to the amount of principal payable on such Notes being equal to at least 100% of the nominal value of the Notes) and/or interest payable are dependent upon the level of an inflation/consumer price index or indices.

Potential investors in any such Notes should be aware that, depending on the terms of the Inflation Linked Notes (i) they may receive no interest or a limited amount of interest, and (ii) payment of principal, and/or interest may occur at a different time than expected and (iii) they may lose a substantial portion of their investment. In addition, the movements in the level of the inflation/consumer price index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices, and the timing of changes in the relevant level of the index or indices may affect the actual return to investors, even if the average level is consistent with their expectations.

Inflation Linked Notes may be subject to certain disruption provisions or extraordinary event provisions (such as the delay and disruption provisions described in Condition 4.4.2 (*Inflation Index delay and* *disruption provisions*) and any Additional Disruption Events as may be specified in the applicable Final Terms). Relevant events may relate to an inflation/consumer price index publication being delayed or ceasing or such index being rebased or modified. If the Calculation Agent (as defined in the Conditions of the Notes) determines that any such event has occurred, this may delay valuations under, and/or payments in respect of, the Notes and consequently adversely affect the value of the Notes. Any such adjustments may be by reference to a Related Bond, as defined in the applicable Final Terms if so specified therein. In addition, certain extraordinary or disruption events may lead to early redemption of the Notes, which may have an adverse effect on the value of the Notes. Whether and how such provisions apply to the relevant Notes can be ascertained by reading the Inflation Linked Notes Conditions in conjunction with the applicable Final Terms.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the inflation/consumer price index or the indices on principal or interest payable will be magnified.

A relevant consumer price index or other formula linked to a measure of inflation to which the Notes are linked may be subject to significant fluctuations that may not correlate with other indices. Any movement in the level of the index may result in a reduction of the interest payable on the Notes (if applicable) or, in the case of Notes with a redemption amount linked to inflation, in a reduction of the amount payable on redemption or settlement.

The timing of changes in the relevant consumer price index or other formula linked to the measure of inflation comprising the relevant index or indices may affect the actual yield to investors on the Notes, even if the average level is consistent with their expectations.

An inflation or consumer price index to which interest payments and/or the redemption amount of Inflation Linked Notes are linked is only one measure of inflation for the relevant jurisdiction or area, and such Index may not correlate perfectly with the rate of inflation experienced by Noteholders in such jurisdiction or area.

The market price of Inflation Linked Notes may be volatile and may depend on the time remaining to the maturity date or expiration and the volatility of the level of the inflation or consumer price index or indices. The level of the inflation or consumer price index or indices may be affected by the economic, financial and political events in one or more jurisdictions or areas.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be “benchmarks” (including, without limitation, EURIBOR, CMS Rate, Constant Maturity BTP Rate, CPI - ITL and HICP) are the subject of recent national and international regulatory guidance and reform aimed at supporting the transition to robust benchmarks. Most reforms have now reached their planned conclusion, and “benchmarks” remain subject to ongoing monitoring. 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".

Furthermore, separate workstreams are underway in Europe to reform EURIBOR using a hybrid methodology and to provide fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (**€STR**) as the new risk-free rate. €STR has been published by the ECB since 2 October 2019, reflecting trading activity since 1 October 2019. In addition, on 21 January 2019, the euro risk-free rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the group issued its final statement, announcing completion of its mandate.

Such factors may have (without limitation) the following effects on certain benchmarks (including EURIBOR): (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark or (iii) leading to the disappearance of the benchmark. It is not possible to predict with certainty whether, and to what extent, the relevant "benchmark" will continue to be supported going forwards and the relevant "benchmark" may perform differently than it has done in the past, and may have other consequences which cannot be predicted. Any of these changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes referencing a benchmark.

The Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, including an inter-bank offered rate such as EURIBOR or other relevant benchmarks, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable or a Benchmark Event otherwise occurs, including the possibility that the rate of interest or other amounts payable under the Notes could be set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances, the fallback for the purposes of calculation of interest or other amounts payable under the Notes may be based upon a determination to be made by the Calculation Agent or by an independent adviser appointed by the Issuer. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an independent adviser, the relevant fallback provisions may not operate as intended at the relevant time and in the event of a permanent discontinuation of any benchmark, the Issuer may be unable to appoint an independent adviser or the independent adviser may be unable to determine a successor rate or alternative rate. In these circumstances, where any benchmark has been discontinued, the Rate of Interest will revert to the Rate of Interest applicable as at the immediately preceding Interest Period or, if there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. This will result in the floating rate Notes, in effect, becoming fixed rate Notes.

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

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Notes; (ii) the Investor's Currency equivalent value of the principal payable on the Notes; and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

2) Risks related to all Notes issued under the Programme

Set out below is a description of material risks relating to the Notes generally:

No physical document of title issued in respect of the Notes issued in dematerialised form

Notes issued under the Programme will be in dematerialised form and evidenced at any time through book entries pursuant to the relevant provisions of the Financial Services Act and in accordance with the CONSOB and Bank of Italy Joint Regulation (each as defined in the "*Terms and Conditions of the Notes*"). In no circumstance would physical documents of title be issued in respect of the Notes issued in dematerialised form. While the Notes are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli and the authorised financial intermediaries holding accounts on behalf of their customers with Monte Titoli. As the Notes are held in dematerialised form with Monte Titoli, investors will have to rely on the procedures of Monte Titoli and the financial intermediaries authorised to hold accounts therewith, for transfer, payment and communication with the Issuer.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

As provided under Article 2415, first paragraph, number 2, of the Italian Civil Code, the Noteholders may, by an Extraordinary Resolution passed by a specific majority, modify the Conditions of the Notes (these modifications may relate to, without limitation, the maturity of the Notes or the dates on which interest is payable on them; the principal amount of, or interest on, the Notes; or the currency of payment of the Notes). These and other changes to the Conditions of the Notes may adversely impact Noteholders' rights and may adversely impact the market value of the Notes.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes

Tax changes may affect the tax treatment of the Notes

Law No. 111 of 9 August 2023 (**Law 111/2023**) delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the tax system (**Tax Reform**). According to Law 111/2023, the Tax Reform may significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage. The information provided in this Base Prospectus may not reflect the future tax landscape accurately.

Noteholders should be aware that the amendments that may be introduced to the tax regime of financial incomes and capital gains could increase the taxation on interest, similar income and/or capital gains accrued or realised under the Notes and could result in a lower return of their investments.

Prospective investors should consult their own tax advisors regarding the tax consequences described above.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the Minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

Risk relating to the governing law of the Notes

The conditions of the Notes are governed by English law and Condition 16.1 (*Governing Law*) provide that contractual and non-contractual obligations arising out or in connection with them are and shall be governed by, and construed in accordance with, English Law, except that the form and transferability of the Notes, as set out in Condition 1 (*Form, Denomination and Title*), shall be governed by, and construed in accordance with, Italian Law and Condition 13 (*Meetings of Noteholders and Modification*) is subject to compliance with the provisions of Italian law. The Agency Agreement and any non-contractual obligations arising out of or in connection with it, are and shall be governed by, and construed in accordance with, Italian law.

In light of the above, the Issuer cannot foresee the effect of any potential misalignment between the laws applicable to the Terms and Conditions of the Notes and the Notes and the laws applicable to their form and transferability for any prospective investors in the Notes and any disputes which may arise in relation to, *inter alia*, the transfer of ownership in the Notes.

The Notes do not restrict the amount of debt which the Issuer may incur

The terms and conditions relating to the Notes do not contain any restriction on the amount of indebtedness which the Issuer may from time to time incur. In the event of any insolvency or winding-up of the Issuer, the Notes will rank equally with other unsecured senior indebtedness of the Issuer and, accordingly, any increase in the amount of unsecured senior indebtedness of the Issuer in the future may reduce the amount recoverable by Noteholders. In addition, the Notes are unsecured and, save as provided in Condition 3 (*Negative Pledge*), do not contain any restriction on the giving of security by the Issuer to secure present and future indebtedness. Where security has been granted over assets of the Issuer to secure indebtedness, in the event of any insolvency or winding-up of the Issuer, such indebtedness will rank in priority over the Notes and other unsecured indebtedness of the Issuer in respect of such assets.

Calculation Agent

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such case, the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of business, in a wide range of banking activities out of which conflicts of interests may arise. While such Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities, from time to time, be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

3) Risks related to the market

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. In addition, should the Issuer be in financial distress, this is likely to have a further significant impact on the secondary market for the Notes and investors may have to sell their Notes at a substantial discount to their principal amount.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, as of the date of this Base Prospectus, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU 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 non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU -registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). If the status of the relevant rating agency changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market. 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.

Investors regulated in the UK are subject to similar restrictions under the CRA Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (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.

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.

Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the CONSOB shall be entirely incorporated by reference in, and form part of, this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent, and are available at the following dedicated section of the Issuer's website www.italgas.it/en/investors/bond-investors/consob-emtn-programme/.

(a) the 2025 Quarterly Financial Report: the interim audited consolidated quarterly financial statements of Italgas Group as at and for the three months period ended 31 March 2025 (available at https://www.italgas.it/wp-content/uploads/sites/2/2025/05/Interim-Condensed-Consolidated-Financial-Statements-as-of-and-for-the-three-months-ended-31-March-2025.pdf) as set out at the following pages:

Interim Condensed Consolidated Statement of Financial Position as of 31 March 2025	Page 2
Interim Condensed Consolidated Income Statement for the three months ended 31 March 2025	Page 3
Interim Condensed Consolidated Statement of Comprehensive Income for the three months ended 31 March 2025	Page 4
Interim Condensed Consolidated Statement of changes in Equity for the three months ended 31 March 2025	Pages 5 to 6
Interim Condensed Consolidated Statement of Cash Flow for the three months ended 31 March 2025	Page 7
Notes to the Interim Condensed Consolidated Financial Statements	Pages 8 to 34
Report on review of Interim Condensed Consolidated Financial Statements	Pages 35 to 36

(b) the 2024 Financial Report: the audited consolidated financial statements of Italgas Group as of and for the financial year ended 31 December 2024 (available at https://www.italgas.it/wp-content/uploads/sites/2/2025/03/Italgas-Integrated-Annual-Report-2024.pdf), as set out at the following pages:

Corporate bodies	Pages 2 to 3
Italgas Group structure as at 31 December 2024	Pages 4 to 5
Contents	Pages 6 to 8
Letter to shareholders and stakeholders	Pages 9 to 11
2024 Highlights	Pages 12 to 15
Methodological note - Integrated Annual Report 2024	Pages 16 to 17
Italgas Profile	Pages 18 to 25
Governance and risks	Pages 26 to 41
Operating performance	Pages 42 to 47
Comment on the results and other information	Pages 48 to 73

(c) the 2023 Financial Report: the audited consolidated financial statements of Italgas Group as of and for the financial year ended 31 December 2023 (available at https://www.italgas.it/wp-content/uploads/sites/2/2024/04/Integrated-Annual-Report-2023.pdf), as set out at the following pages:

Table of GRI indicators and table linking to the areas of Italian Legislative Decree no. 254/2016	Pages 209 to 219
Impacts and material topics	Page 220
Information on the activities that are eligible and non-eligible to the Taxonomy of sustainable investments	Pages 221 to 239
Independent Auditor’s Report related to the Consolidated Non-Financial Statement	Pages 240 to 244
Balance Sheet	Page 247
Income Statement	Page 248
Statement of Comprehensive Income	Page 249
Statement of Changes in Shareholders' Equity	Pages 250 to 251
Cash Flow Statement	Page 252
Notes to the Consolidated Financial Statements	Pages 253 to 339
Statements from Management	Page 340
Independent Auditor’s Report	Pages 341 to 347
Annexes to the Consolidated Financial Statements	Pages 348 to 351

Any information not listed in the cross-reference table above but included in the documents incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CONSOB in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which may affect the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes. For the avoidance of doubt, other than in relation to the documents which are deemed to be incorporated by reference referred to above, the information on any website to which this Base Prospectus refers to does not form part of this Base Prospectus.

FORM OF THE NOTES

The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli, for the account of the relevant Monte Titoli Account Holders. The Notes have been accepted for clearance by Monte Titoli. The expression Monte Titoli Account Holders means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depositary banks appointed by Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**).

The Notes will at all times be held in book entry form and title to the Notes will be evidenced by book entries pursuant to the relevant provisions of the Financial Services Act and in accordance with the CONSOB and Bank of Italy Joint Regulation. The Noteholders may not require physical delivery of the Notes. However, the Noteholders may ask the relevant intermediaries for certification pursuant to Articles 83-*quinquies* and 83-sexies of the Financial Services Act.

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent to the accounts of the Monte Titoli Account Holders whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such Monte Titoli Account Holders to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be.

For the avoidance of doubt, as set out in Condition 16.1 (*Governing Law*), the form and transferability of the Notes are governed by Italian law.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[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/both]) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II[; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129][3]. 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.][4]

[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/both]) 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 (as amended, **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][2]. 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.][5]

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

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in

[3] Part (iii) of the PRIIPs legend can be deleted in relation to a transaction with a minimum denomination of EUR 100,000 or equivalent, in which case “more” can be changed to “both” earlier in the legend.

[4] 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.

[5] 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.

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 (as amended, **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. 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 (as amended, 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.][6]

[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE (AS AMENDED OR MODIFIED FROM TIME TO TIME, THE SFA)

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes [(and beneficial interests therein)] to be (a) capital markets products other than: prescribed capital markets products (as defined in the CMP Regulations 2018) and (b) Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][7]

[*Date*]

Italgas S.p.A.

Legal entity identifier (LEI): 815600F25FF44EF1FA76

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the €5,000,000,000
Euro Medium Term Note Programme

PART 1

CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 10 July 2025 [and the supplement[s] to it dated [*date*] [and [*date*]]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**) (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is/are] available for viewing [at [*website*]] [and] during normal business hours at the registered office of the Issuer [and copies may be obtained from the registered office of the Issuer]. The Base Prospectus and, in the case of Notes admitted to trading on the professional segment of the regulated market of the electronic bond market (**MOT**) of Borsa Italiana S.p.A., the Final Terms will be published on the following dedicated section of the Issuer's website www.italgas.it/en/investors/bond-investors/consob-emtn-programme/.

[6] 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.

[7] Legend to be included on front of the Final Terms if the Notes (and, if applicable, beneficial interests therein): (a) do not constitute prescribed capital markets products as defined under the CMP Regulations 2018 and (b) will be offered in Singapore.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms*.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1.	(a)	Series Number:	[ ]
	(b)	Tranche Number: (as referred to under the introduction to the Terms & Conditions of the Notes)	[ ]
	(c)	Date in which Notes will be consolidated and form a single Series	The Notes will be consolidated and form a single Series with [*provide issue amount/ISIN/maturity date/issue date of earlier Tranche*s] on [the Issue Date/insert date][Not Applicable]
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
4.	Issue Price:		[ ]% of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
5.	(a)	Specified Denominations:	[ ]
	(as referred to under Condition 1 (*Form, Denomination and Title*))		(N.B. Notes must have a minimum denomination of €100,000 (or equivalent).) *(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000] and integral multiples of [€1,000] in excess thereof.")*
	(b)	Calculation Amount:	[ ]
	(as referred to under Condition 4.2 (*Interest on Floating Rate Notes and Inflation Linked Interest Notes*))		

		(*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.)
6.	(a) Issue Date:	[ ]
	(b) Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]
	(as referred to under Condition 4 (*Interest*))	
		(*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)
7.	Maturity Date:	[*Fixed rate or Zero Coupon Notes – specify date*/ *Floating rate or Inflation Linked Notes* – Interest Payment Date falling in or nearest to [*specify month and year*]]
8.	Interest Basis:	[[ ]% Fixed Rate[, subject to the Step Up Option]] [[[ ] month EURIBOR] +/- [ ]% Floating Rate[, subject to the Step Up Option]] [Floating Rate: CMS Linked Interest[, subject to the Step Up Option]] [Floating Rate: Constant Maturity BTP Linked Interest[, subject to the Step Up Option]] [Zero Coupon] [Inflation Linked] (further particulars specified below)
9.	Redemption Basis: (as referred to under Condition 6 (*Redemption and Purchase*))	[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100%]/[ ]% of their nominal amount [8]] / [Inflation Linked Redemption (see Item 19)]
10.	Change of Interest Basis:	[For the period from (and including) the Interest Commencement Date, up to (but excluding) [*date*] paragraph [13/14] applies and for the period from (and including) [*date*], up to (and

[8] Notes will always be redeemed at least 100 per cent. of the nominal value.

		including) the Maturity Date, paragraph [13/14] applies][Not Applicable]
11.	Put/Call Options: (as referred to under Conditions 6.3 (*Redemption at the option of the Issuer (Issuer Call)*) and 6.6 (*Redemption at the option of the Noteholders (Investor Put)*))	[Investor Put] [Issuer Call] [Issuer Maturity Par Call] [Clean-Up Call] [(further particulars specified below)] [Not Applicable]
12.	Date [Board] approval for issuance of Notes obtained	[ ] [and [ ], respectively]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions: (as referred to under Condition 4.1 (*Interest on Fixed Rate Notes*))	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Rate(s) of Interest:	[The Notes are subject to the Step Up Option]/[The Notes are not subject to the Step Up Option] [The Initial Rate of Interest is – *delete unless the Notes are subject to the Step Up Option]* [ ]% per annum payable in arrear on each Interest Payment Date [(further particulars specified in paragraph 17 below) - *delete unless the Notes are subject to the Step Up Option*] (*If payable other than annually, consider amending Condition 4 (Interest)*)
	(b) Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)

	(c)	Fixed Coupon Amount(s):	[[ ] per Calculation Amount [, subject to the Step Up Option]
	(d)	Broken Amount(s):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]] [Not Applicable]
	(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
	(f)	Determination Date(s):	[[ ] in each year] [Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
14.	Floating Rate Note Provisions: (as referred to under Condition 4.2 (*Interest on Floating Rate Notes and Inflation Linked Interest Notes*))		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*) [The Notes are subject to the Step Up Option]/[The Notes are not subject to the Step Up Option] [(further particulars specified in paragraph 17 below) - *delete unless the Notes are subject to the Step Up Option*]
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ][, subject to adjustment in accordance with the Business Day Convention Set out in (b) below, not subject to any adjustment as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
	(c)	Additional Business Centre(s):	[ ]/[Not Applicable]
	(d)	Party responsible for calculating the Rate of Interest and Interest Amount:	[ ]
	(e)	Calculation Agent:	[Paying Agent] / [ ]

(f) Screen Rate Determination:

• Reference Rate and Relevant Financial Centre:	[[ ] month [EURIBOR]/[CMS Reference Rate]/[Constant Maturity BTP Rate].
	Relevant Financial Centre: [London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)/New York/specify other Relevant Financial Centre]
	(*only relevant for CMS Reference Rate*)
	Reference Currency: [ ]
	(*only relevant for CMS Reference Rate*)
	Designated Maturity: [ ]
	(*only relevant for CMS Reference Rate and for Constant Maturity BTP Rate*)
	Specified Time: [ ] in [ ]
	(only relevant for CMS Reference Rate and for Constant Maturity BTP Rate)
• Interest Determination Date(s):	[ ]
	(In the case of EURIBOR): [Second day on which the T2 System is open prior to the start of each Interest Period]
	(in the case of a CMS Rate where the Reference Currency is euro or a Constant Maturity BTP Rate): [Second day on which the T2 System is open prior to the start of each Interest Period]
	(in the case of a CMS Rate where the Reference Currency is other than euro): [Second [*specify type of day*] prior to the start of each Interest Period]
• Relevant Screen Page:	[ ]
	(*In the case of CMS Linked Interest Notes, specify relevant screen page and any applicable headings and captions*)
	(In the case of Constant Maturity BTP Linked Interest Notes, specify relevant screen page[, which is expected to be Bloomberg page GBTPGRN Index, where N is the Designated

			Maturity,] and any applicable headings and captions)
	•	Party responsible for calculating the Rate(s) of Interest:	[ ]
	(g)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)
	(h)	Margin(s):	[The Initial Margin is – *delete unless the Notes are Step Up Notes*] [+/-] [ ]% per annum
	(i)	Minimum Rate of Interest:	[ ]% per annum
	(j)	Maximum Rate of Interest:	[ ]% per annum
	(k)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] 30E/360 (ISDA)] (*See Condition 4 (Interest) for alternatives*)
15.	Zero Coupon Note Provisions: (as referred to under Condition 6.7(c) (*Redemption and Purchase - Early Redemption Amounts*))		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Accrual Yield:	[ ]% per annum
	(b)	Reference Price:	[ ]
	(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

		(*Consider applicable day count fraction if not U.S. dollar denominated*)
16.	Inflation Linked Interest Note Provisions:	[Applicable/Not Applicable]
	(as referred to under Condition 4.2 (*Interest on Floating Rate Notes and Inflation Linked Interest Notes*))	(*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Inflation Index/Indices:	[ ]
(b)	Inflation Index Sponsor(s):	[ ]
(c)	Calculation Agent (which shall not be the Paying Agent):	[ ]
(d)	Reference Source(s):	[ ]
(e)	Related Bond:	[Applicable]/[Not Applicable] The Related Bond is: [ ] [Fallback Bond] The issuer of the Related Bond is: [ ]
(f)	Fallback Bond:	[Applicable]/[Not Applicable]
(g)	Reference Month:	[ ]
(h)	Cut-Off Date:	[ ]/[Not Applicable]
(i)	End Date:	[ ]/[Not Applicable] (*This is necessary whenever Fallback Bond is applicable*)
(j)	Additional Disruption Events:	[Change of Law] [Increased Cost of Hedging] [Hedging Disruption] [None]
(k)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[ ]
(l)	DIR(0):	[ ]
(m)	Lookback Period 1:	[*insert number of months/years*]

	(n)	Lookback Period 2:	[*insert number of months/years*]
	(o)	Initial Ratio Amount:	[ ]/[Not Applicable]
	(p)	Trade Date:	[ ]
	(q)	Minimum Rate of Interest:	[ ]% per annum
	(r)	Maximum Rate of Interest:	[ ]% per annum
	(s)	Rate Multiplier:	[Not Applicable]/[[ ]%]
	(t)	Interest Determination Date(s):	[ ]
	(u)	Specified Period(s)/Specified Interest Payment Dates:	[ ][, subject to adjustment in accordance with the Business Day Convention Set out in (u) below, not subject to any adjustment as the Business Day Convention in (u) below is specified to be Not Applicable]
	(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
	(w)	Additional Business Centre(s):	[ ]/[Not Applicable]
	(x)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)] (*See Condition 4 (Interest) for alternatives)*
17.	Step Up Option		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(a)	Scope 1 and 2 market-based GHG Emissions Reduction Event:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

		(i) Scope 1 and 2 market-based GHG Emissions Reduction Reference Date: [●] (ii) Scope 1 and 2 market-based GHG Emissions Reduction Percentage: [●] (iii) Scope 1 and 2 market-based GHG Emissions Reduction Event Step Up Margin: [[●] per cent. per annum/Cumulative Step Up Margin is applicable]
(b)	Scope 3 from supply chain GHG Emissions Reduction Event:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph)* (i) Scope 3 from supply chain GHG Emissions Reduction Reference Date: [●] (ii) Scope 3 from supply chain GHG Emissions Reduction Percentage: [●] (iii) Scope 3 from supply chain GHG Emissions Reduction Event Step Up Margin: [[●] per cent. per annum/Cumulative Step Up Margin is applicable]
(c)	Net Energy Consumption Reduction Event:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)* (i) Net Energy Consumption Reduction Reference Date: [●] (ii) Net Energy Consumption Reduction Percentage: [●]] (iii) Net Energy Consumption Reduction Event Step Up Margin: [[●] per cent. per annum/Cumulative Step Up Margin is applicable]
(d)	Cumulative Step Up Event:	[Applicable. [The Scope 1 and 2 market-based GHG Emissions Reduction Event] [and] [the Scope 3 from supply chain GHG Emissions Reduction Event] [and] [the Net Energy Consumption Reduction Event] shall be a

		Cumulative Step Up Event] / [Not Applicable]
(e)	Cumulative Step Up Margin:	[Applicable. [[●] per cent. per annum/The aggregate of [Scope 1 and 2 market-based GHG Emissions Reduction Event Step Up Margin] [and] [the Scope 3 from supply chain GHG Emissions Reduction Event Step Up Margin] [and] [the Net Energy Consumption Reduction Event Step Up Margin]] / [Not Applicable]

PROVISIONS RELATING TO REDEMPTION

18.	Issuer Call:	[Applicable/Not Applicable]
	(as referred to under Condition 6.3 (*Redemption at the option of the Issuer (Issuer Call)*))	
		(*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Optional Redemption Date(s):	[ ]
(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount]/[Make-Whole Amount] [in the case of the Optional Redemption Date(s) falling [on [ ]/any date from, and including, the Issue Date to but excluding [ ]]/[and] [[ ] per Calculation Amount in the period (the **Par Call Period**) from and including [insert date] (the **Par Call Period Commencement Date**) to but excluding [date]] and [[ ] per Calculation Amount] [in the case of the Optional Redemption Date(s) falling [on [ ] /in the period from and including [date] to but excluding [date]] (*if Make-Whole Amount is selected, include the following items)*
(c)	Redemption Margin:	[[ ]%] [Not Applicable]
	(*Only applicable to Make-Whole Amount redemption*)	
(d)	Reference Bond:	[*insert applicable reference bond*] [Not Applicable]
	(*Only applicable to Make-Whole Amount redemption*)	
(e)	Reference Dealers:	[[ ]] [Not Applicable]

(*Only applicable to Make-Whole Amount redemption*)

	(f)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(g)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent*)
19.	Issuer Maturity Par Call		[Applicable][Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(a)	Par Call Period:	From (and including) [ ] (the **Par Call Period Commencement Date**) to (but excluding) the Maturity Date
	(b)	Notice periods (if other than as set out in the Conditions):	[Minimum period: [ ] days] [Maximum period: [ ] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent*)
	(c)	Optional Redemption Amount:	[ ] per Calculation Amount

20.	Clean-Up Call (Condition 6.5 (*Redemption at the option of the Issuer (Clean-Up Call)*)):	[Applicable/Not Applicable]
	(a) [Clean-Up Call Threshold:]	[ ][*specify percentage*]
	(b) Notice periods (if other than as set out in the Conditions)	[Minimum period: [ ] days] [Maximum period: [ ] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent*)
21.	Investor Put:	[Applicable/Not Applicable]
	(as referred to under Condition 6.6 (*Redemption at the option of the Noteholders (Investor Put)*))	
		(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount:	[ ] per Calculation Amount
	(c) Notice periods:	Minimum period: [ ] days Maximum period: [ ] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Paying Agent*)
22.	Inflation Linked Redemption Note Provisions:	[Applicable/Not Applicable]
		(*If not applicable, delete the remaining subparagraphs of this paragraph*)

	(a)	Inflation Index:	[ ]
	(b)	Inflation Index Sponsor(s):	[ ]
	(c)	Related Bond:	[Applicable]/[Not Applicable] The Related Bond is: [ ] [Fallback Bond] The issuer of the Related Bond is: [ ]
	(d)	Fallback Bond:	[Applicable]/[Not Applicable]
	(e)	Reference Month:	[ ]
	(f)	Cut-Off Date:	[ ]/[Not Applicable]
	(g)	End Date:	[ ]/[Not Applicable] (*This is necessary whenever Fallback Bond is applicable*)
	(h)	Additional Disruption Events:	[Change of Law] [Increased Cost of Hedging] [Hedging Disruption] [None]
	(i)	Party responsible for calculating the Redemption Amounts:	[ ]
	(j)	DIR(0):	[ ]
	(k)	Lookback Period 1:	[*insert number of months/years*]
	(l)	Lookback Period 2:	[*insert number of months/years*]
	(m)	Trade Date:	[ ]
	(n)	Redemption Determination Date:	[ ]
	(o)	Redemption Amount Multiplier:	[ ]%
23.	Final Redemption Amount: (as referred to under Condition 6.1 (*Redemption at Maturity*) and, in the case of Inflation Linked Notes, Conditions 6.11 (*Redemption of Inflation Linked Notes*) and 6.12 (*Calculation of Inflation Linked Redemption*))		[[ ] per Calculation Amount]/(*in the case of Inflation Linked Redemption Notes*:) as per Conditions 6.11 (*Redemption of Inflation Linked Notes*) and Condition 6.12 (*Calculation of Inflation Linked Redemption*)

24.	Early Redemption Amount payable on redemption for taxation reasons or on event of default or pursuant to Condition 4.4 (*Inflation Linked Note Provisions*): (as referred to under Condition 6.7 (*Early Redemption Amounts*) and, in the case of Inflation Linked Notes, Conditions 6.11 (*Redemption of Inflation Linked Notes*) and 6.12 (*Calculation of Inflation Linked Redemption*))	[[ ] per Calculation Amount] / [As per Condition 6.7 (*Early Redemption Amounts*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Additional Financial Centre(s): (as referred to under Condition 5.5 (*Payment Day*))	[Not Applicable]/[●] (*Note that this paragraph relates to the date of payment and not Interest Period end dates to which subparagraph 14(c) relates*)

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Italgas S.p.A.:

By:..

Duly authorised

PART 2

OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a)	Listing and Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing and to trading [on the electronic bond market (**MOT**) of Borsa Italiana S.p.A.]/[●] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to listing and to trading [on the professional segment of the electronic bond market (**MOT**) of Borsa Italiana S.p.A.]/[●] with effect from [ ].]/ [Not Applicable.]
(b)	Estimate of total expenses related to admission to trading:	[ ]/ [Not Applicable.]

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 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**)]]][9]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their] affiliates in the ordinary course of business – *Amend as appropriate if there are other interests*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation*)]

4. USE OF PROCEEDS AND ESTIMATED NET PROCEEDS

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

(i)	Use of proceeds	[ ]
(ii)	Estimated net proceeds:	[ ]

5. **YIELD** (*Fixed Rate Notes only*)

Indication of yield:	[[ ]/[Not Applicable]]

6. **HISTORIC INTEREST RATE (*Floating Rate Notes only*)**

[[Details of historic [EURIBOR/CMS/Constant Maturity BTP] rates can be obtained [free of charge]/[at a charge] from [Reuters]]/[Not Applicable]]

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS***

(N.B. Specify "Not Applicable" unless the Notes are securities to which Annex 17 to the Commission Delegated Regulation (EU) 2019/980 (the "Commission Delegated Regulation") applies)

The final reference price of the underlying:	[[As set out in Condition 4.2(C) (*Interest – Interest on Floating Rate Notes and Inflation Linked Interest Notes - Rate of Interest – Inflation Linked Interest Notes*) /As set out in Condition 6.12 (*Calculation of Inflation Linked Redemption*)] /[Not Applicable]]
An indication where information about the past and the further performance of the underlying and its volatility can be obtained, and whether or not it can be obtained free of charge:	[ ]
The name of the index:	[[CPI - ITL / HICP] as defined in Annex 1 to the Base Prospectus]/[Not *Applicable*]]
The place where information about the index can be obtained, and whether or not it can be obtained free of charge:	[The information may be obtained [free of charge / at a charge] on [*Bloomberg* Page ITCPIUNR or its replacement and the website [●] / http://ec.europa.eu/eurostat] / [Not Applicable]]

* Required for securities to which Annex 17 to the Commission Delegated Regulation applies.

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation)]

8. **OPERATIONAL INFORMATION**

(a)	ISIN:	[ ]
(b)	Common Code:	[ ]/[Not Applicable]
(c)	FISN:	[[ ], as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]]
(d)	CFI:	[[ ], as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]] *(If the CFI and/or FISN is not required, it/they should be specified to be "Not Applicable")*
(e)	Any clearing system(s) other than Monte Titoli and the relevant identification number(s):	[Not Applicable/*give name(s), address(es) and number(s)*]
(f)	Names and addresses of additional Paying Agent(s) (if any):	[ ]/[Not applicable]
(g)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes/No] [Note that the designation "yes" simply means that the Notes are intended upon issue to be settled through Monte Titoli and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Whilst the designation is specified as "no" at the date of these Final Terms, the Eurosystem eligibility criteria could be amended in the future such that the Notes are capable of meeting them. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

9. DISTRIBUTION

(a)	Method of distribution:	[Syndicated/Non-syndicated]
(b)	If syndicated, names of Managers:	[Not Applicable/give names]
(c)	Date of [Subscription] Agreement:	[ ]
(d)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]
(e)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(f)	U.S. Selling Restrictions:	Reg. S Compliance Category [1/2/3]; TEFRA not applicable
(g)	Prohibition of Sales to EEA Retail Investors:	[Not Applicable/Applicable]
(h)	Prohibition of Sales to UK Retail Investors:	[Not Applicable/Applicable]
(i)	[Singapore Sales to Institutional Investors and Accredited Investors only:]	[Not Applicable/Applicable][10]

10. [BENCHMARKS

Benchmark:	[Not Applicable] / [[*Benchmark*] provided by [*Benchmark administrator*]. As at the date hereof, [*Benchmark administrator*] [appears] / [does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of Regulation (EU) 2016/1011 (the **Benchmarks Regulation**). [As far as the Issuer is aware, *EITHER* [[*Benchmark administrator*] does not fall within the scope of the Benchmarks Regulation] *OR* [the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [*Benchmark administrator*] is not currently required to obtain recognition, endorsement or to benefit of an equivalent decision].]]

[10] Delete this line item where Notes are not offered into Singapore Include this line item where Notes are offered into Singapore. Indicate "Applicable" if Notes are offered to Institutional Investors and Accredited Investors in Singapore only. Indicate "Not Applicable" if Notes are also offered to investors other than Institutional Investors and Accredited Investors in Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions applicable to each Series of the Notes (the ***Terms and Conditions*** *or the* ***Conditions****). The applicable Final Terms (or the relevant provisions thereof) will complete these Terms and Conditions. Reference should be made to "Form of Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

*Any reference in these Terms and Conditions to "Noteholders" or "holders" in relation to any Notes shall mean the beneficial owners of the Notes evidenced in book entry form through the relevant Monte Titoli Account Holder (as defined below) with Euronext Securities Milan (formerly Monte Titoli S.p.A.) with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy (****Monte Titoli****) pursuant to the relevant provisions of Legislative Decree No. 58 of 24 February 1998, as amended (the* ***Financial Services Act****) and in accordance with the CONSOB and Bank of Italy Joint Regulation dated 13 August 2018, as subsequently amended and supplemented from time to time (the* ***CONSOB and Bank of Italy Joint Regulation****). No physical document of title will be issued in respect of the Notes. Euroclear Bank S.A./N.V. (****Euroclear****) and Clearstream Banking S.A. (****Clearstream, Luxembourg****) are intermediaries authorised to operate through Monte Titoli.*

This Note is one of a Series (as defined below) of Notes issued by Italgas S.p.A. (the **Issuer**) pursuant to the Agency Agreement (as defined below).

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent to the accounts of the Monte Titoli Account Holders whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such Monte Titoli Account Holders to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be.

In these Terms and Conditions, the expression **Monte Titoli Account Holder** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depositary banks appointed by Euroclear and Clearstream, Luxembourg.

The Notes (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 10 July 2025 and made between the Issuer, BNP PARIBAS, Italian Branch as paying agent (the **Paying Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Any reference to **Calculation Agent** in relation to any Notes shall mean the entity specified as such in the applicable Final Terms.

The final terms for this Note (or the relevant provisions thereof) are set out in Part 1 of the Final Terms which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part 1 of the Final Terms (or the relevant provisions thereof).

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.
Copies of the Agency Agreement are available for inspection during normal business hours at the

specified office of each of the Paying Agents. If the Notes are to be admitted to listing and to trading on the electronic bond market (**MOT**) of Borsa Italiana S.p.A. the applicable Final Terms will be published on the following dedicated section of the Issuer's website www.italgas.it/en/investors/bond-investors/consob-emtn-programme/ and copies thereof are available for viewing at the registered office of the Issuer and of the Paying Agent and copies may be obtained from those offices. If this Note is neither admitted to trading on a regulated market in the European Economic Area or the United Kingdom nor offered in the European Economic Area or the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer or the relevant Paying Agent as to its holding of such Notes and identity. The expression **Prospectus Regulation** means Regulation (EU) 1129/2017, as amended. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes will be in bearer form and will be held in dematerialised form on behalf of the Noteholders by Monte Titoli for the account of the relevant Monte Titoli Account Holders as of their respective date of issue. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg.

The Notes will at all times be evidenced by, and title to the Notes will be established or transferred by way of, book-entries pursuant to the relevant provisions of the Financial Services Act and in accordance with the CONSOB and Bank of Italy Joint Regulation. No physical document of title will be issued in respect of the Notes.

The Notes are issued in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inflation Linked Note (being either an Inflation Linked Interest Note, an Inflation Linked Redemption Note or a combination of the two) or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Notes will be transferable only in accordance with the rules and procedures for the time being of Monte Titoli. References to Monte Titoli shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part 2 of the applicable Final Terms.

2. STATUS OF THE NOTES

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3. NEGATIVE PLEDGE

So long as any of the Notes remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or permit to subsist any Security upon the whole or any part of the present or future undertakings, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Material Subsidiaries to secure any Indebtedness, except for Permitted Encumbrances, unless:

(a) the same Security shall forthwith be extended equally and rateably to secure all amounts payable under the Notes; or

(b) such other Security or guarantee (or other arrangement) as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement), shall previously have been or shall forthwith be extended equally and rateably to secure all amounts payable under the Notes.

As used herein:

Group means the Issuer and its Subsidiaries;

Indebtedness means any present or future indebtedness for borrowed money (whether being principal, premium, interest or other amounts) which is in the form of, or represented by, bonds, notes, debentures or other debt securities and which is or is intended to be quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or regulated securities market;

Material Subsidiary means any consolidated Subsidiary of the Issuer:

(a) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 15% of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately before the transfer is a Material Subsidiary of the Issuer.

A report by two officers of the Issuer stating that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest or proven error, be conclusive and binding on all parties;

Permitted Encumbrances means:

(a) any Security arising by operation of or pursuant to any mandatory provision of law without any action being taken by the Issuer or a Material Subsidiary to create or cause to arise such Security; or

(b) any Security in existence as at the date of issuance of the Notes (including any additional Security required to be given pursuant to or in connection with that Security); or

(c) in the case of any entity which becomes a Material Subsidiary or is merged, consolidated or amalgamated into a Material Subsidiary or the Issuer after the date of issuance of the Notes, any Security existing over such entity's assets at the time it becomes (or is merged, consolidated or amalgamated into) such member of the Group, provided that the Security was not created in contemplation of, or in connection with, its becoming (or being merged, consolidated or amalgamated into) such member of the Group and provided further that the relevant Indebtedness has not been increased in contemplation of, or in connection with, its becoming (or is merged, consolidated or amalgamated into) such member of the Group; or

(d) any Security securing Project Finance Indebtedness; or

(e) any Security Interest created or assumed by the Issuer or a Material Subsidiary over any revenues or receivables in connection with any securitised financing, factoring, discounting or other like arrangement where the payment obligations in respect of the indebtedness secured by the relevant Security Interest are to be discharged solely from the revenues generated by the assets over which such Security Interest is created; or

(f) any Security created after the date of issuance of the Notes on any asset acquired by the person creating the Security and securing only Indebtedness incurred for the sole purpose of financing or re-financing that acquisition, provided that the principal amount of such Indebtedness so secured does not exceed the overall cost of that acquisition; or

(g) any Security created after the date of issuance of the Notes on any asset improved, constructed, altered or repaired and securing only Indebtedness incurred for the sole purpose of financing or re financing such improvement, construction, alteration or repair, provided that the principal amount of such Indebtedness so secured does not exceed the overall cost of that improvement, construction, alteration or repair; or

(h) any Security that does not fall within subparagraphs (a) to (g) above and that secures Indebtedness which, when aggregated with Indebtedness secured by all other Security permitted under this subparagraph, does not exceed 10% of the consolidated net invested capital of the Group as determined by reference to the most recently audited consolidated financial statements of the Issuer;

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

Project Finance Indebtedness means any present or future Indebtedness incurred in financing or refinancing the ownership, acquisition, construction, development, leasing, maintenance and/or operation of an asset or assets, whether or not an asset of a member of the Group:

(a) which is incurred by a Project Finance Subsidiary; or

(b) in respect of which the Person or Persons to whom any such Indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group (other than a Project Finance Subsidiary) for the repayment thereof other than:

(i) recourse for amounts limited to the cash flow or the net cash flow (other than historic cash flow or historic net cash flow) from such asset or assets or the income or other proceeds deriving therefrom; and/or

(ii) recourse for the purpose only of enabling amounts to be claimed in respect of such Indebtedness in an enforcement of any Security given by such borrower over such asset or assets or the income, cash flow or other proceeds, deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure such Indebtedness,

provided that (a) the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement, and (b) such Person or Persons is or are not entitled, by virtue of any right or claim arising out of or in connection with such Indebtedness, to commence any proceedings of whatever nature against any member of the Group (other than a Project Finance Subsidiary) and (c) an equity contribution in the borrower by the Issuer or Material Subsidiary, according to the then project finance market standard, shall not be deemed as a "recourse" to the relevant member of the Group;

Project Finance Subsidiary means any direct or indirect Subsidiary of the Issuer either:

(a) (i) which is a single-purpose company whose principal assets and business are constituted by the ownership, acquisition, construction, development, leasing, maintenance and/or operation of an asset or assets; and

(ii) none of whose Indebtedness in respect of the financing of such ownership, acquisition, construction, development, leasing, maintenance and/or operation of an asset or assets is subject to any recourse whatsoever to any member of the Group (other than such Subsidiary or another Project Finance Subsidiary) in respect of the repayment thereof, except as expressly referred to in subparagraph (b)(ii) of the definition of Project Finance Indebtedness; or

(b) at least 70% in principal amount of whose Indebtedness is Project Finance Indebtedness;

Security means any mortgage, lien, pledge, charge or other security interest;

Subsidiary means, in respect of any Person (the **first Person**) at any particular time, any other Person (the **second Person**):

(a) whose majority of votes in ordinary shareholders' meetings of the second Person is held by the first Person; or

(b) in which the first Person holds a sufficient number of votes giving the first Person a dominant influence in ordinary shareholders' meetings of the second Person; or

(c) whose accounts are required to be consolidated with those of the first Person pursuant to article 26 of Law 127 of 1991;

in the case of (a) and (b), pursuant to the provisions of Article 2359, first paragraph, No. 1 and No. 2, of the Italian Civil Code.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Unless provided otherwise in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) the aggregate outstanding nominal amount of the Fixed Rate Notes; and

(b) multiplying such sum by the applicable Day Count Fraction.

The resulting figure shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these Conditions:

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 4.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Notes and Inflation Linked Interest Notes

(A) Interest Payment Dates

Each Floating Rate Note and Inflation Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

i. the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

ii. if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 4.2(A)ii (*Interest - Interest on Floating Rate Notes and Inflation Linked Interest Notes – Interest Payment Dates*) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (2) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (1) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (2) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system (**T2**) is open; and

(c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open.

(B) Rate of Interest – Floating Rate Notes

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified below.

i. Floating Rate Notes other than CMS Linked Interest Notes and Constant Maturity BTP Linked Interest Notes

The Rate of Interest for each Interest Period will, subject as provided below, be either:

i. the offered quotation; or

ii. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (i) above, no offered quotation appears or, in the case of (ii) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer, or a third party/independent advisor appointed by the Issuer, shall request each of the Reference Banks to provide the Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question.

If two or more of the Reference Banks provide the Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or, if fewer than two of the Reference Banks provide the Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Paying Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

For the purposes of this paragraph (A) of Condition 4.2, **Reference Banks** means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer, or by a third party/independent advisor appointed by the Issuer;

Specified Time means 11.00 a.m. (Brussels time, in the case of a determination of EURIBOR).

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

ii. ***Floating Rate Notes which are CMS Linked Interest Notes***

This Condition 4.2(B)(ii) applies where CMS Reference Rate is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be determined by the Calculation Agent by reference to the following formula where CMS Reference Rate is specified as the Reference Rate in the applicable Final Terms:

CMS Rate plus Margin

If the Relevant Screen Page is not available, the Issuer, or a third party/independent advisor appointed by the Issuer, shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Calculation Agent with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, after eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its discretion, in accordance with standard market practice.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

For the purposes of this paragraph (B) of Condition 4.2:

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

CMS Reference Banks means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Issuer, or by a third party/independent advisor appointed by the Issuer.

Designated Maturity, **Margin, Relevant Screen Page and Specified Time** shall have the meaning given to those terms in the applicable Final Terms.

Relevant Swap Rate means:

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

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

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

iii. Floating Rate Notes which are Constant Maturity BTP Linked Interest Notes

This Condition 4.2(B)(iii) applies where Constant Maturity BTP Rate is specified as the Reference Rate in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the gross yield before taxes of Italian government bonds with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page (or such replacement page on that service which displays the information) at the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

If on any Interest Determination Date the Relevant Screen Page (or such replacement page on that service which displays the information) is not available, the Constant Maturity BTP Rate for such Interest Determination Date shall be determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner, as the gross yield before taxes based on the mid-market price for Italian government bonds with a maturity of the Designated Maturity, or as close to the Designated Maturity as considered appropriate by the Calculation Agent in its discretion, and in a Representative Amount at the Specified Time on the Interest Determination Date in question and shall be the arithmetic mean of quotations obtained from three Constant Maturity BTP Reference Banks selected by the Issuer, or by a third party/independent advisor appointed by the Issuer (from five such Constant Maturity BTP Reference Banks after eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)).

If on any Interest Determination Date fewer than three or none of the Constant Maturity BTP Reference Banks provides the Calculation Agent with quotations for such prices as provided in the preceding paragraph, the Constant Maturity BTP Rate shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its discretion, in accordance with standard market practice.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

For the purposes of this paragraph (C) of Condition 4.2:

Constant Maturity BTP Reference Bank means the principal office of any "Specialist in Italian Government Bonds" included in the "List of Specialists in Government Bonds" (*Elenco Specialisti in Titoli di Stato*) published by the Department of Treasury (*Dipartimento del Tesoro*) from time to time.

Designated Maturity, Margin, Relevant Screen Page and **Specified Time** shall have the meaning given to those terms in the applicable Final Terms.

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

(C) Rate of Interest – Inflation Linked Interest Notes

The Rate of Interest payable from time to time in respect of Inflation Linked Interest Notes for each Interest Period will be determined by the Calculation Agent, or other party specified in the applicable Final Terms, on the relevant Interest Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = [RateMultiplier] * \left(\frac{DIR(t)}{DIR(0)} \right)$$

subject to the Minimum Rate of Interest or the Maximum Rate of Interest if, in either case, designated as applicable in the applicable Final Terms in which case the provisions of paragraph (D) below of Condition 4.2 (*Interest – Interest on Floating Rate Notes and Inflation Linked Interest Notes – Minimum Rate of Interest and/or Maximum Rate of Interest*) shall apply as appropriate.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

The Rate of Interest and the result of DIR(*t*) divided by DIR(0) shall be rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

For the purposes of the Conditions:

DayOfMonth means the actual number of days since the start of the relevant month;

DaysInMonth means the number of days in the relevant month;

DIR(0) means the value specified in the applicable Final Terms and being the value as calculated in accordance with the following formula (where month "t" is the month and year in which the Trade Date falls):

DIR(0) = Inflation Index(t - Lookback Period 1) + [Inflation Index(t - Lookback Period 2) – Inflation Index(t - Lookback Period 1)]*[(DayOfMonth – 1)/DaysInMonth],

rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards;

DIR(t) means in respect of the Specified Interest Payment Date falling in month "t", the value calculated in accordance with the following formula:

DIR(t) = Inflation Index(t - Lookback Period 1) + [Inflation Index(t - Lookback Period 2) – Inflation Index(t - Lookback Period 1)]*[(DayOfMonth – 1)/DaysInMonth],

rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards;

Inflation Index means the relevant inflation index set out in Annex I to this Base Prospectus specified in the applicable Final Terms;

Inflation Index (t-Lookback Period 1) means the value of the Inflation Index for the month that is the number of months in the Lookback Period 1 prior to the month (t) in which the relevant Specified Interest Payment Date falls;

Inflation Index (t-Lookback Period 2) means the value of the Inflation Index for the month that is the number of months in the Lookback Period 2 prior to the month in which the relevant Specified Interest Payment Date falls; and

Rate Multiplier has the meaning given to it in the applicable Final Terms, provided that if Rate Multiplier is specified as "Not Applicable", the Rate Multiplier shall be deemed to be equal to one.

(D) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (B) above or paragraph (C) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (B) above or paragraph (C) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(E) Determination of Rate of Interest and calculation of Interest Amounts

The Paying Agent, in the case of Floating Rate Notes, other than CMS Linked Interest Notes and Constant Maturity BTP Linked Interest Notes, and the Calculation Agent, in the case of Floating Rate Notes which are CMS Linked Interest Notes and Constant Maturity BTP Linked Interest Notes and Inflation Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Floating Rate Notes which are CMS Linked Interest Notes and Constant Maturity BTP Linked Interest Notes and Inflation Linked Interest Notes, the Calculation Agent will notify the Paying Agent of the Rate of Interest for the relevant Interest Period promptly after calculating the same.

The Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Inflation Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes, and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In the case of Inflation Linked Interest Notes, if an Initial Ratio Amount is specified in the applicable Final Terms as applicable, the amount payable on the first Interest Payment Date in respect of the aggregate nominal amount of the Notes for the time being outstanding shall be the sum of the relevant Interest Amount (in respect of the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date) plus an amount equal to the product of the Initial Ratio Amount multiplied by DIR(t)/DIR(0) (such sum shall be rounded (if necessary) to the nearest euro cent with half a euro cent being rounded upwards).

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

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

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

where:

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

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

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

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

where:

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

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

Initial Ratio Amount means the value specified in the applicable Final Terms, if applicable.

(F) Linear Interpolation

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

Designated Maturity means the period of time designated in the Reference Rate.

(G) Notification of Rate of Interest and Interest Amounts

The Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to Monte Titoli and the Issuer and will cause notice thereof to be published in accordance with Condition 11 (*Notices*) as soon as possible after their determination but in no event later than the fourth Milan Business Day thereafter. The Issuer will notify any stock exchange on which the relevant Floating Rate Notes or Inflation Linked Interest Notes are for the time being listed (by no later than the first day of each Interest Period). Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes or Inflation Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 11 (*Notices*). For the purposes of this paragraph, the expression **Milan Business Day** means a day (other than a Saturday or a Sunday) which is not a bank holiday or a public holiday in Milan.

(H) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (*Interest on Floating Rate Notes and Inflation Linked Interest Notes*), whether by the Paying Agent, or, if applicable, the Calculation Agent shall (in the absence of wilful default or bad faith) be binding on the Issuer, Monte Titoli, the Paying Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders and (in the absence of wilful default or bad faith) no liability to the Issuer or the Noteholders shall attach to Monte Titoli, the Paying Agent or, if applicable, the Calculation Agent, in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Step Up Option

This Condition 4.3 *(Step Up Option)* is applicable to Notes (**Step Up Notes**) only if the Step Up Option is specified in the applicable Final Terms as being applicable.

The Rate of Interest for Step Up Notes will be the Rate of Interest specified in the applicable Final Terms or otherwise determined in accordance with Condition 4 (*Interest*), provided that for any Interest Period commencing on or after the Interest Payment Date immediately following a Step Up Event (or a Step Up Event comprising the Cumulative Step Up Event if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable), if any, the Initial Rate of Interest (in case of Fixed Rate Notes) or the Initial Margin (in the case of Floating Rate Notes) shall be increased by the relevant Step Up Margin (or Cumulative Step Up Margin if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable) specified in the applicable Final Terms. The applicable Final Terms shall specify whether one or more Step Up Events shall apply in respect of each Series of Sustainability-Linked Notes and the relevant Step Up Margin in respect of each such event.

The occurrence of a Step Up Event (or a Step Up Event comprising the Cumulative Step Up Event if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable) will be notified by the Issuer to Monte Titoli, the Paying Agent and, in accordance with Condition 11 (*Notices*), the Noteholders as soon as reasonably practicable after such occurrence and, in respect of the relevant Step Up Event, no later than the relevant Step Up Event Notification Date. Such notice shall be irrevocable and shall specify the Initial Rate of Interest (in the case of Fixed Rate Notes) or the Initial Margin (in the case of Floating Rate Notes) and the relevant Step Up Margin (or Cumulative Step Up Margin if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable).

For the avoidance of doubt, (i) an increase in the Rate of Interest following a Step Up Event (or a Step Up Event comprising the Cumulative Step Up Event if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable) may occur no more than once in respect of the relevant Step Up Notes and (ii) if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable, the Cumulative Step Up Event will occur and the Cumulative Step Up Margin will apply if the Step Up Events comprising the Cumulative Step Up Event occur.

For the purposes of this Condition 4.3 *(Step Up Option)*:

Baseline Recalculation Event means the occurrence of any of the following events:

(a) an event that requires the Issuer to change its methodology to calculate the Scope 1 and 2 market-based GHG Emissions and/or the Scope 3 from supply chain GHG Emissions and/or the Net Energy Consumption, including, for example, following a significant change in data or in the GHG accounting methodology; or

(b) a material change in data due to better data accessibility or the discovery of data errors; or

(c) any material changes to any applicable laws, regulations, rules, guidelines and policies relevant to the determination of the Scope 1 and 2 market-based GHG Emissions and/or the Scope 3 from supply chain GHG Emissions and/or the Net Energy Consumption; or

(d) a Perimeter Redetermination Event,

whereby, following any such event, the Issuer may at its discretion, acting in good faith and in accordance with its methodology, recalculate (including on a pro forma basis) – the Scope 1 and 2 market -based GHG Emissions Baseline, the Scope 3 from supply chain GHG Emissions Baseline and/or the Net Energy Consumption Baseline, as the case may be, to reflect such event, provided that, following the occurrence of any such event and before the Redetermined Scope 1 and 2 market-based GHG Emissions Baseline, the Redetermined Scope 3 from supply chain GHG Emissions Baseline and/or the Redetermined Net Energy Consumption Baseline, as the case may be, is used for the purposes of calculating the relevant Step Up Event, an External Verifier confirms in writing to the Issuer that such Baseline Recalculation Event:

(i) is consistent with the Issuer's sustainability strategy; and

(ii) allows the Issuer's Scope 1 and 2 market-based GHG Emissions Reduction Percentage or Redetermined Scope 1 and 2 market-based GHG Emissions Reduction Percentage, Scope 3 from supply chain GHG Emissions Reduction Percentage or Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage and/or Net Energy Consumption Reduction Percentage or Redetermined Net Energy Consumption Reduction Percentage, as applicable, to be in line with or more ambitious and material than the Issuer's prior Scope 1 and 2 market-based GHG Emissions Reduction Percentage or Redetermined Scope 1 and 2 market-based GHG Emissions Reduction Percentage, Scope 3 from supply chain GHG Emissions Reduction Percentage or Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage and/or Net Energy Consumption Reduction Percentage or Redetermined Net Energy Consumption Reduction Percentage, as applicable,

and notice of such confirmation and of such Redetermined Scope 1 and 2 market-based GHG Emissions Baseline, Redetermined Scope 3 from supply chain GHG Emissions Baseline and/or Redetermined Net Energy Consumption Baseline, as applicable, is provided to the Paying Agent and the Noteholders pursuant to Condition 11 (Notices).

CH4 means methane.

CO2 means carbon dioxide.

CO_2eq means carbon dioxide equivalent and, for the purpose of this Condition include CO_2 and CH_4.

Concession means a concession, an authorisation or other statutory provision or an administrative instrument, whether or not documented in a contract, or similar arrangements, pursuant to which an entity is entrusted by one or more public national or local authorities or entities (such as, inter alios, ministries or municipalities) with the management of public services (servizi pubblici pursuant to Italian law) and/or public utility services/activities (servizi di pubblica utilità/opera di pubblica utilità pursuant to Italian law).

Cumulative Step Up Event means the occurrence of any of (a) a Net Energy Consumption Reduction Event; and/or (b) a Scope 1 and 2 market-based GHG Emissions Reduction Event; and/or (c) a Scope 3 from supply chain GHG Emissions Reduction Event, as indicated as applicable in the relevant Final Terms and, in each case, as so specified as comprising the Cumulative Step Up Event in the relevant Final Terms, it being understood that the occurrence of any such event shall not result in the occurrence of an Event of Default under these Conditions.

Cumulative Step Up Margin means the amount specified in the applicable Final Terms as being the Cumulative Step Up Margin.

External Verifier Assurance Report has the meaning given to it in Condition 12 (*Available Information*).

External Verifier means DELOITTE & TOUCHE S.p.A. or any such other qualified provider of third party assurance or attestation services or other independent expert of internationally recognised standing appointed by the Issuer, in each case with the expertise necessary to perform the functions required to be performed by the External Verifier under these Conditions, as determined in good faith by the Issuer.

GHG means greenhouse gases, being gases which absorb and emit radiation in the atmosphere contributing to the greenhouse effect, including (among others) carbon dioxide (CO2), and methane (CH_4).

GHG Protocol's Corporate Reporting Standards means the international guidance and standards on greenhouse gas emissions accounting established by the GHG Protocol.

Initial Margin is the Margin applicable on the Issue Date to the Floating Rating Notes, as specified in the applicable Final Terms.

Initial Rate of Interest is the Rate of Interest applicable at the Issue Date to the Fixed Rate Notes, as specified in the applicable Final Terms.

Integrated Annual Report has the meaning given to it in Condition 12 (*Available Information*).

Net Energy Consumption means the energy consumed in TJ using the ISPRA (Istituto Superiore per la Protezione e la Ricerca Ambientale) latest available conversion factors for the different energy sources by the Issuer and its Subsidiaries as defined in the Perimeter or, if amended following a Perimeter Redetermination Event and, if so amended, as notified by the Issuer in accordance with Condition 11 (*Notices*), the Redetermined Perimeter, related to fuel energy consumption for industrial and civil use, fuel energy consumption for vehicles, net electricity consumption for industrial and civil use (total electricity consumption minus the total self-produced and consumed electricity), and thermal energy consumption for civil use as calculated in good faith by the Issuer for any fiscal year.

Net Energy Consumption Baseline means 619.1 TJ, being the sum of the Net Energy Consumption for the period beginning on 1 January 2020 and ending on 31 December 2020, or, if amended following a Baseline Recalculation Event and, if so amended, as notified by the Issuer in accordance with Condition 11 (*Notices*), the Redetermined Net Energy Consumption Baseline.

Net Energy Consumption Reduction Condition means that (i) the percentage reduction in Net Energy Consumption as of the Net Energy Consumption Reduction Reference Date compared to the Net Energy Consumption Baseline was equal to or higher than the Net Energy Consumption Reduction Percentage, as notified in writing by the Issuer to the Paying Agent and the Noteholders in accordance with Condition 11 (Notices) no later than the Step Up Event Notification Date, and (ii) the Integrated Annual Report and, if applicable, the Separate Report and, both in respect of the Integrated Annual Report or, if applicable, in respect of the Separate Report, the related External Verifier Assurance Report, as at and for the year ending on the Net Energy Consumption Reduction Reference Date has been published on the Issuer's website by no later than the relevant Step Up Event Notification Date.

Net Energy Consumption Reduction Event means the failure of the Issuer to satisfy the Net Energy Consumption Reduction Condition, provided that no Net Energy Consumption Reduction Event shall occur in case of the failure of the Issuer to satisfy the Net Energy Consumption Reduction Condition due to:

(a) an amendment to, or change in, any applicable policies, laws, regulations, rules and guidelines applicable to and/or relating to the Group's businesses, or a decision of a competent authority which has a direct and/or indirect impact on the Issuer's ability to satisfy the Net Energy Consumption Reduction Condition; and/or

(b) any Concession granted to the Issuer and/or its Subsidiaries being amended, revoked or terminated for any reason whatsoever prior to the relevant expiration date (and such revocation or termination becomes effective in accordance with its terms) or the relevant expiration date being shortened, which has a direct and/or indirect impact on the Issuer's ability to satisfy the Net Energy Consumption Reduction Condition,

in each case, as notified by the Issuer pursuant to Condition 11 (*Notices*), on or prior to the Net Energy Consumption Reduction Reference Date.

Net Energy Consumption Reduction Event Step Up Margin means the amount specified in the applicable Final Terms as being the Net Energy Consumption Reduction Event Step Up Margin.

Net Energy Consumption Reduction Percentage means (i) the percentage reduction of Net Energy Consumption compared to the Net Energy Consumption Baseline specified in the applicable Final Terms as being the Net Energy Consumption Reduction Percentage or (ii) if amended following a Percentage Recalculation Event and, if so amended, as notified by the Issuer in accordance with Condition 11 (*Notices*), the Redetermined Net Energy Consumption Reduction Percentage.

Net Energy Consumption Reduction Reference Date is the date specified in the applicable Final Terms.

Percentage Recalculation Event means the occurrence of any of the following events:

(a) an event that requires the Issuer to change its methodology to calculate the Scope 1 and 2 market-based GHG Emissions and/or the Scope 3 from supply chain GHG Emissions and/or the Net Energy Consumption, including, for example, following a significant change in data or in the GHG accounting methodology; or

(b) a material change in data due to better data accessibility or the discovery of data errors; or

(c) any material changes to any applicable laws, regulations, rules, guidelines and policies relevant to the determination of the Scope 1 and 2 market-based GHG Emissions and/or the Scope 3 from supply chain GHG Emissions and/or the Net Energy Consumption; or

(d) a Perimeter Redetermination Event,

whereby, following any such event, the Issuer may, at its discretion, acting in good faith and in accordance with its methodology, recalculate (including on a pro forma basis) the Scope 1 and 2 market-based GHG Emissions Reduction Percentage, the Scope 3 from supply chain GHG Emissions Reduction Percentage and/or the Net Energy Consumption Reduction Percentage, as the case may be, to reflect such event, provided that, following the occurrence of any such event and before the Redetermined Scope 1 and 2 market-based GHG Emissions Reduction

Percentage, the Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage and/or the Redetermined Net Energy Consumption Reduction Percentage, as the case may be, is used for the purposes of calculating the relevant Step Up Event, an External Verifier confirms in writing to the Issuer that such Percentage Recalculation Event:

(i) is consistent with the Issuer's sustainability strategy; and

(ii) allows the Issuer's Redetermined Scope 1 and 2 market-based GHG Emissions Reduction Percentage, Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage and/or Redetermined Net Energy Consumption Reduction Percentage, as applicable, to be in line with or more ambitious and material than the Issuer's prior Scope 1 and 2 market-based GHG Emissions Reduction Percentage or Redetermined Scope 1 and 2 market-based GHG Emissions Reduction Percentage, Scope 3 from supply chain GHG Emissions Reduction Percentage or Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage and/or Net Energy Consumption Reduction Percentage or Redetermined Net Energy Consumption Reduction Percentage, as applicable,

and notice of such confirmation and of such Redetermined Scope 1 and 2 market-based GHG Emissions Reduction Percentage, Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage and/or Redetermined Net Energy Consumption Reduction Percentage, as applicable, is provided to the Paying Agent and the Noteholders pursuant to Condition 11 (*Notices*).

Perimeter means the Issuer's and its Subsidiaries consolidated as of 31 December 2021.

Perimeter Redetermination Event means the decision by the Issuer, at its discretion, acting in good faith and in accordance with its methodology, to redefine the Perimeter to reflect material changes in the Group's perimeter as a result of any acquisition, merger, disposal or any other structural changes. Notice of such Perimeter Redetermination Event, together with the Redetermined Perimeter, is provided by the Issuer to the Paying Agent and the Noteholders pursuant to Condition 11 (*Notices*).

Redetermined Net Energy Consumption Baseline means, following the occurrence of a Baseline Recalculation Event that results in a recalculation by the Issuer of the Net Energy Consumption Baseline, the new Net Energy Consumption Baseline, in TJ, recalculated in good faith by the Issuer and in accordance with its methodology, and disclosed in the relevant Integrated Annual Report or Separate Report and published by the Issuer in accordance with Condition 12 (*Available Information*), which shall replace the Net Energy Consumption Baseline as at the date of such Integrated Annual Report or Separate Report, and any reference to the Net Energy Consumption Baseline in these Conditions thereafter shall be deemed to be a reference to the Redetermined Net Energy Consumption Baseline, it being understood that in the absence of such disclosure in the relevant Integrated Annual Report or Separate Report, the Net Energy Consumption Baseline shall continue to apply and therefore no change shall be made to the Net Energy Consumption Baseline as a result of the Baseline Recalculation Event.

Redetermined Net Energy Consumption Reduction Percentage means, following the occurrence of a Percentage Recalculation Event that results in a recalculation by the Issuer of the Net Energy Consumption Reduction Percentage, the new Net Energy Consumption Reduction Percentage, recalculated in good faith by the Issuer and in accordance with its methodology, and disclosed in the relevant Integrated Annual Report or Separate Report and published by the Issuer in accordance with Condition 12 (*Available Information*), which shall replace the Net Energy Consumption Reduction Percentage as at the date of such Integrated

Annual Report or Separate Report, and any reference to the Net Energy Consumption Reduction Percentage in these Conditions thereafter shall be deemed to be a reference to the Redetermined Net Energy Consumption Reduction Percentage, it being understood that in the absence of such disclosure in the relevant Integrated Annual Report or Separate Report, the Net Energy Consumption Reduction Percentage shall continue to apply and therefore no change shall be made to the Net Energy Consumption Reduction Percentage as a result of the Percentage Recalculation Event.

Redetermined Perimeter means, following the occurrence of a Perimeter Redetermination Event that results in a redetermination by the Issuer of the Perimeter, the Perimeter redetermined in good faith by the Issuer and in accordance with its methodology, and disclosed in the relevant Integrated Annual Report or Separate Report and published by the Issuer in accordance with Condition 12 (*Available Information*), which shall replace the Perimeter as at the date of such Integrated Annual Report or Separate Report, and any reference to the Perimeter in these Conditions thereafter shall be deemed to be a reference to the Redetermined Perimeter, it being understood that in the absence of such disclosure in the relevant Integrated Annual Report or Separate Report, the Perimeter shall continue to apply and therefore no change shall be made to the Perimeter as a result of the Perimeter Redetermination Event.

Redetermined Scope 1 and 2 market-based GHG Emissions Baseline means, following the occurrence of a Baseline Recalculation Event that results in a recalculation by the Issuer of the Scope 1 and 2 market-based GHG Emissions Baseline, the new Scope 1 and 2 market-based GHG Emissions Baseline, in thousand ton of CO2eq, recalculated in good faith by the Issuer and in accordance with its methodology, and disclosed in the relevant Integrated Annual Report or Separate Report and published by the Issuer in accordance with Condition 12 (*Available Information*), which shall replace the Scope 1 and 2 market-based GHG Emissions Baseline as at the date of such Integrated Annual Report or Separate Report, and any reference to the Scope 1 and 2 market-based GHG Emissions Baseline in these Conditions thereafter shall be deemed to be a reference to the Redetermined Scope 1 and 2 market-based GHG Emissions Baseline, it being understood that in the absence of such disclosure in the relevant Integrated Annual Report or Separate Report, the Scope 1 and 2 market-based GHG Emissions Baseline shall continue to apply and therefore no change shall be made to the Scope 1 and 2 market-based GHG Emissions Baseline as a result of the Baseline Recalculation Event.

Redetermined Scope 1 and 2 market-based GHG Emissions Reduction Percentage means, following the occurrence of a Percentage Recalculation Event that results in a recalculation by the Issuer of the Scope 1 and 2 market-based GHG Emissions Reduction Percentage, the new Scope 1 and 2 market-based GHG Emissions Reduction Percentage, recalculated in good faith by the Issuer and in accordance with its methodology, and disclosed in the relevant Integrated Annual Report or Separate Report and published by the Issuer in accordance with Condition 12 (*Available Information*), which shall replace the Scope 1 and 2 market-based GHG Emissions Reduction Percentage as at the date of such Integrated Annual Report or Separate Report, and any reference to the Scope 1 and 2 market-based GHG Emissions Reduction Percentage in these Conditions thereafter shall be deemed to be a reference to the Redetermined Scope 1 and 2 market-based GHG Emissions Reduction Percentage, it being understood that in the absence of such disclosure in the relevant Integrated Annual Report or Separate Report, the Scope 1 and 2 market-based GHG Emissions Reduction Percentage shall continue to apply and therefore no change shall be made to the Scope 1 and 2 market-based GHG Emissions Reduction Percentage as a result of the Percentage Recalculation Event.

Redetermined Scope 3 from supply chain GHG Emissions Baseline means, following the occurrence of a Baseline Recalculation Event that results in a recalculation by the Issuer of the Scope 3 from supply chain GHG Emissions Baseline, the new Scope 3 from supply chain GHG Emissions Baseline, in thousand ton of CO2eq, recalculated in good faith by the Issuer and in accordance with its methodology, and disclosed in the relevant Integrated Annual Report or Separate Report and published by the Issuer in accordance with Condition 12 (Available *Information*), which shall replace the Scope 3 from supply chain GHG Emissions Baseline as at the date of such Integrated Annual Report or Separate Report, and any reference to the Scope 3 from supply chain GHG Emissions Baseline in these Conditions thereafter shall be deemed to be a reference to the Redetermined Scope 3 from supply chain GHG Emissions Baseline, it being understood that in the absence of such disclosure in the relevant Integrated Annual Report or Separate Report, the Scope 3 from supply chain GHG Emissions Baseline shall continue to apply and therefore no change shall be made to the Scope 3 from supply chain GHG Emissions Baseline as a result of the Baseline Recalculation Event.

Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage means, following the occurrence of a Percentage Recalculation Event that results in a recalculation by the Issuer of the Scope 3 from supply chain GHG Emissions Reduction Percentage, the new Scope 3 from supply chain GHG Emissions Reduction Percentage, recalculated in good faith by the Issuer and in accordance with its methodology, and disclosed in the relevant Integrated Annual Report or Separate Report and published by the Issuer in accordance with Condition 12 (*Available Information*), which shall replace the Scope 3 from supply chain GHG Emissions Reduction Percentage as at the date of such Integrated Annual Report or Separate Report, and any reference to the Scope 3 from supply chain GHG Emissions Reduction Percentage in these Conditions thereafter shall be deemed to be a reference to the Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage, it being understood that in the absence of such disclosure in the relevant Integrated Annual Report or Separate Report, the Scope 3 from supply chain GHG Emissions Reduction Percentage shall continue to apply and therefore no change shall be made to the Scope 3 from supply chain GHG Emissions Reduction Percentage as a result of the Percentage Recalculation Event.

Reference Date means the Net Energy Consumption Reduction Reference Date, the Scope 1 and 2 market-based GHG Emissions Reduction Reference Date and the Scope 3 from supply chain GHG Emissions Reduction Reference Date, as applicable.

Scope 1 and 2 market-based GHG Emissions means the amount of Scope 1 GHG Emissions and Scope 2 market-based GHG Emissions of the Issuer and its Subsidiaries as defined in the Perimeter or, if amended following a Perimeter Redetermination Event and, if so amended, as notified by the Issuer in accordance with Condition 11 (*Notices*), the Redetermined Perimeter, as calculated in good faith by the Issuer and in accordance with the GHG Protocol's Corporate Reporting Standards, for any fiscal year.

Scope 1 and 2 market-based GHG Emissions Baseline means 193.3 thousand ton of CO2eq, being the sum of the Scope 1 and 2 market-based GHG Emissions for the period beginning on 1 January 2020 and ending on 31 December 2020 or, if amended following a Baseline Recalculation Event and, if so amended, as notified by the Issuer in accordance with Condition 11 (*Notices*), the Redetermined Scope 1 and 2 market-based GHG Emissions Baseline.

Scope 1 and 2 market-based GHG Emissions Reduction Condition means that (i) the percentage reduction in Scope 1 and 2 market-based GHG Emissions as of the Scope 1 and 2 market-based GHG Emissions Reduction Reference Date compared to the Scope 1 and 2 market-based GHG Emissions Baseline was equal to or higher than the Scope 1 and 2 market-based GHG Emissions Reduction Percentage, as notified in writing by the Issuer to the Paying Agent and the Noteholders in accordance with Condition 11 (*Notices*) no later than the Step Up Event Notification Date, and (ii) the Integrated Annual Report and, if applicable, the Separate Report and, both in respect of the Integrated Annual Report or, if applicable, in respect of the Separate Report, the related External Verifier Assurance Report, as at and for the year ending on the Scope 1 and 2 market-based GHG Emissions Reduction Reference Date has been published on the Issuer's website by no later than the relevant Step Up Event Notification Date.

Scope 1 and 2 market-based GHG Emissions Reduction Event means the failure of the Issuer to satisfy the Scope 1 and 2 market-based GHG Emissions Reduction Condition, provided that no Scope 1 and 2 market-based GHG Emissions Reduction Event shall occur in case of the failure of the Issuer to satisfy the Scope 1 and 2 market-based GHG Emissions Reduction Condition due to:

(a) an amendment to, or change in, any applicable policies, laws, regulations, rules and guidelines applicable to and/or relating to the Group's businesses, or a decision of a competent authority which has a direct and/or indirect impact on the Issuer's ability to satisfy the Scope 1 and 2 market-based GHG Emissions Reduction Condition; and/or

(b) any Concession granted to the Issuer and/or its Subsidiaries being amended, revoked or terminated for any reason whatsoever prior to the relevant expiration date (and such revocation or termination becomes effective in accordance with its terms) or the relevant expiration date being shortened, which has a direct and/or indirect impact on the Issuer's ability to satisfy the Scope 1 and 2 market-based GHG Emissions Reduction Condition,

in each case, as notified by the Issuer pursuant to Condition 11 (*Notices*), on or prior to the Scope 1 and 2 market-based GHG Emissions Reduction Reference Date.

Scope 1 and 2 market-based GHG Emissions Reduction Event Step Up Margin means the amount specified in the applicable Final Terms as being the Scope 1 and 2 market-based GHG Emissions Reduction Event Step Up Margin.

Scope 1 and 2 market-based GHG Emissions Reduction Percentage means (i) the percentage reduction of Scope 1 and 2 market-based GHG Emissions compared to the Scope 1 and 2 market-based GHG Emissions Baseline specified in the applicable Final Terms as being the Scope 1 and 2 market-based GHG Emissions Reduction Percentage or (ii) if amended following a Percentage Recalculation Event and, if so amended, as notified by the Issuer in accordance with Condition 11 (*Notices*), the Redetermined Scope 1 and 2 market-based GHG Emissions Reduction Percentage.

Scope 1 and 2 market-based GHG Emissions Reduction Reference Date is the date specified in the applicable Final Terms.

Scope 1 GHG Emissions means the direct (Scope 1) GHG emissions (are reported following the Greenhouse Gas Protocol standards[11] and are expressed in thousand tons of CO_2 equivalent) of the Issuer and its Subsidiaries as defined in the Perimeter or, if amended following a Perimeter Redetermination Event and, if so amended, as notified by the Issuer in accordance

[11] *https://ghgprotocol.org/standards*

with Condition 11 (*Notices*), the Redetermined Perimeter. Scope 1 GHG Emissions come from fugitive gas emissions, emissions from gas consumption for civil and industrial use, emission from fuel consumption for vehicles. The GHGs included in the calculation are CO_2 and CH_4 and emissions are calculated with a Global Warming Potential (GWP, over 100 years) as indicated in the most updated Intergovernmental Panel on Climate Change assessment reports.

Scope 2 market-based GHG Emissions means the indirect (Scope 2) GHG (emissions (are reported following the Greenhouse Gas Protocol standards[12] and are expressed in thousand tons of CO_2 equivalent) of the Issuer and its Subsidiaries as defined in the Perimeter or, if amended following a Perimeter Redetermination Event and, if so amended, as notified by the Issuer in accordance with Condition 11 (*Notices*), the Redetermined Perimeter.

Scope 2 market-based GHG Emissions come from emissions from thermal energy consumption for civil use and emissions from electricity consumption for civil and industrial use (both thermal energy and electricity are provided by third parties. The Scope 2 market-based GHG Emissions are calculated using the market-based method, according to which the emission quota relating to renewable sources is zero and the residual mix emission factor is used for the portion not covered by such contracts.

Scope 3 from supply chain GHG Emissions means the other indirect (Scope 3) from supply chain GHG (are reported following the Greenhouse Gas Protocol standards[13] and are expressed in thousand tons of CO_2 equivalent) emissions of the Issuer and its Subsidiaries as defined in the Perimeter or, if amended following a Perimeter Redetermination Event and, if so amended, as notified by the Issuer in accordance with Condition 11 (*Notices*), the Redetermined Perimeter, outside the direct control of the Group, from the following categories of the GHG Protocol's Corporate Reporting Standards:

- Purchased goods and services;
- Capital goods;
- Upstream transportation and distribution;
- Waste generated in operations;
- Upstream leased assets,

all as calculated in good faith by the Issuer and in accordance with the GHG Protocol's Corporate Reporting Standards for any fiscal year.

Scope 3 from supply chain GHG Emissions Baseline means 202.9 thousand ton of CO2eq, being the sum of the Scope 3 from supply chain GHG Emissions for the period beginning on 1 January 2020 and ending on 31 December 2020 or, if amended following a Baseline Recalculation Event and, if so amended, as notified by the Issuer in accordance with Condition 11 (*Notices*), the Redetermined Scope 3 from supply chain GHG Emissions Baseline.

Scope 3 from supply chain GHG Emissions Reduction Condition means that (i) the percentage reduction in Scope 3 from supply chain GHG Emissions as of the Scope 3 from supply chain GHG Emissions Reduction Reference Date compared to the Scope 3 from supply chain GHG Emissions Baseline was equal to or higher than the Scope 3 from supply chain GHG Emissions Reduction Percentage, as notified in writing by the Issuer to the Paying Agent and the Noteholders in accordance with Condition 11 (*Notices*) no later than the Step Up Event Notification Date, and (ii) the Integrated Annual Report and, if applicable, the Separate Report and, both in respect of the Integrated Annual Report or, if applicable, in respect of the Separate Report, the related External Verifier Assurance Report, as at and for the year ending on the

[12] *https://ghgprotocol.org/standards*
[13] *https://ghgprotocol.org/standards*

Scope 3 from supply chain GHG Emissions Reduction Reference Date has been published on the Issuer's website by no later than the relevant Step Up Event Notification Date.

Scope 3 from supply chain GHG Emissions Reduction Event means the failure of the Issuer to satisfy the Scope 3 from supply chain GHG Emissions Reduction Condition, provided that no Scope 3 from supply chain GHG Emissions Reduction Event shall occur in case of the failure of the Issuer to satisfy the Scope 3 from supply chain GHG Emissions Reduction Condition due to:

(a) an amendment to, or change in, any applicable policies, laws, regulations, rules and guidelines applicable to and/or relating to the Group's businesses, or a decision of a competent authority which has a direct and/or indirect impact on the Issuer's ability to satisfy the Scope 3 from supply chain GHG Emissions Reduction Condition; and/or

(b) any Concession granted to the Issuer and/or its Subsidiaries being amended, revoked or terminated for any reason whatsoever prior to the relevant expiration date (and such revocation or termination becomes effective in accordance with its terms) or the relevant expiration date being shortened, which has a direct and/or indirect impact on the Issuer's ability to satisfy the Scope 3 from supply chain GHG Emissions Reduction Condition,

in each case, as notified by the Issuer pursuant to Condition 11 (*Notices*), on or prior to the Scope 3 from supply chain GHG Emissions Reduction Reference Date.

Scope 3 from supply chain GHG Emissions Reduction Event Step Up Margin means the amount specified in the applicable Final Terms as being the Scope 3 from supply chain GHG Emissions Reduction Event Step Up Margin.

Scope 3 from supply chain GHG Emissions Reduction Percentage means (i) the percentage reduction of Scope 3 from supply chain GHG Emissions compared to the Scope 3 from supply chain GHG Emissions Baseline specified in the applicable Final Terms as being the Scope 3 from supply chain GHG Emissions Percentage or (ii) if amended following a Percentage Recalculation Event and, if so amended, as notified by the Issuer in accordance with Condition 11 (*Notices*), the Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage.

Scope 3 from supply chain GHG Emissions Reduction Reference Date is the date specified in the applicable Final Terms.

Separate Report has the meaning given to it in Condition 12 (*Available Information*).

Step Up Event Notification Date means:

- in relation to a Scope 1 and 2 market-based GHG Emissions Reduction Event, the date on which the Issuer is required to publish the Integrated Annual Report and, if applicable, the Separate Report and, both in respect of the Integrated Annual Report or, if applicable, in respect of the Separate Report, the related External Verifier Assurance Report, as at and for the year ending on the Scope 1 and 2 market-based GHG Emissions Reduction Reference Date pursuant to Condition 12 (*Available Information*);

- in relation to Scope 3 from supply chain GHG Emissions Reduction Event, the date on which the Issuer is required to publish the Integrated Annual Report and, if applicable, the Separate Report and, both in respect of the Integrated Annual Report or, if applicable, in respect of the Separate Report, the related External Verifier Assurance Report, as at and for the year ending on the Scope 3 from supply chain GHG Emissions Reduction Reference Date pursuant to Condition 12 (*Available Information*);

- in relation to a Net Energy Consumption Reduction Event, the date on which the Issuer is required to publish the Integrated Annual Report and, if applicable, the Separate Report and, both in respect of the Integrated Annual Report or, if applicable, in respect of the Separate Report, the related External Verifier Assurance Report, as at and for the year ending on the Net Energy Consumption Reduction Reference Date pursuant to Condition 12 (*Available Information*).

Step Up Event means the occurrence of either (a) Scope 1 and 2 market-based GHG Emissions Reduction Event; and/or (b) a Scope 3 from supply chain GHG Emissions Reduction Event; and/or (c) Net Energy Consumption Reduction Event; as specified in the applicable Final Terms.

Step Up Margin means (i) in respect of a Net Energy Consumption Reduction Event, the Net Energy Consumption Reduction Event Step Up Margin; (ii) in respect of a Scope 1 and 2 market-based GHG Emissions Reduction Event, the Scope 1 and 2 market-based GHG Emissions Reduction Event Step Up Margin; (iii) in respect of a Scope 3 from supply chain GHG Emissions Reduction Event, the Scope 3 from supply chain GHG Emissions Reduction Event Step Up Margin, and (iv) in respect of any Step Up Event comprising a Cumulative Step Up Event, the Cumulative Step Up Margin, as indicated as applicable in the relevant Final Terms and, each such margin, the **relevant Step Up Margin**.

TJ means terajoules.

4.4. Inflation Linked Note Provisions

4.4.1 Definitions

For the purposes of Inflation Linked Interest Notes and Inflation Linked Redemption Notes:

Additional Disruption Event means any of Change of Law, Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

Change of Law means that, on or after the Trade Date (as specified in the applicable Final Terms):

(a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or

(b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority),

the Calculation Agent determines in its discretion that (i) it has become illegal to hold, acquire or dispose of any relevant hedging arrangements in respect of the Inflation Index or (ii) any Hedging Party will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, any of its affiliates or any other Hedging Party).

Cut-Off Date means, in respect of a Determination Date, five (5) Business Days prior to any due date for payment under the Notes for which valuation on the relevant Determination Date is relevant, unless otherwise stated in the applicable Final Terms.

Delayed Index Level Event means, in respect of any Determination Date and an Inflation Index, that the relevant Inflation Index Sponsor fails to publish or announce the level of such Inflation Index (the **Relevant Level**) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Determination Date, at any time on or prior to the Cut-Off Date.

Determination Date means each of the Interest Determination Date and the Redemption Determination Date, as the case may be, specified as such in the applicable Final Terms.

End Date means each date specified as such in the applicable Final Terms.

Fallback Bond means, in respect of an Inflation Index, a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the relevant Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to such Inflation Index, with a maturity date which falls on (a) the End Date specified in the applicable Final Terms, (b) the next longest maturity after the End Date if there is no such bond maturing on the End Date, or (c) the next shortest maturity before the End Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the relevant Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems, the Calculation Agent will select a new Fallback Bond on the same basis, but notwithstanding the immediately prior sentence, selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

Hedging Disruption means that any Hedging Party is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the relevant price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s), as determined by the Calculation Agent.

Hedging Party means at any relevant time, the Issuer, or any of its affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the Notes as the Issuer may select at such time.

Increased Cost of Hedging means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its affiliates shall not be deemed an Increased Cost of Hedging.

Interest Determination Date means the date specified in the applicable Final Terms, if applicable.

Inflation Index Sponsor means, in relation to an Inflation Index, the entity that publishes or announces (directly or through an agent) the level of such Inflation Index which, as of the Issue Date, is the Inflation Index Sponsor specified in the applicable Final Terms.

Redemption Determination Date means the date specified in the applicable Final Terms, if applicable.

Reference Month means the calendar month for which the level of the Inflation Index is reported as specified in the applicable Final Terms, regardless of when this information is published or announced, except that if the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level is reported.

Related Bond means, in respect of an Inflation Index, the bond specified as such in the applicable Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then, for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond. If a bond is specified as the Related Bond in the applicable Final Terms and that bond redeems or matures before the End Date (i) unless "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination and (ii) if "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond.

Relevant Level has the meaning set out in the definition of "Delayed Index Level Event" above.

4.4.2 Inflation Index delay and disruption provisions

(A) Delay in publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Determination Date, then the Relevant Level for such Inflation Index with respect to the relevant Reference Month subject to such Delayed Index Level Event (the **Substitute Index Level**) shall be determined by the Calculation Agent as follows:

(i) if "Related Bond" is specified as applicable for such Inflation Index in the applicable Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the relevant Related Bond; or

(ii) if (I) "Related Bond" is not specified as applicable for such Inflation Index in the applicable Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

Substitute Index Level = Base Level x (Latest Level/Reference Level),

in each case as of such Determination Date,

where:

Base Level means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

Latest Level means, in respect of an Inflation Index, the latest level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor prior to the month in respect of which the Substitute Index Level is being determined.

Reference Level means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall give notice to Noteholders, in accordance with Condition 11 (*Notices*) of any Substitute Index Level calculated pursuant to this paragraph (A) of Condition 4.4.2.

If the Relevant Level (as defined above) is published or announced at any time on or after the relevant Cut-off Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this paragraph (A) of Condition 4.4.2 will be the definitive level for that Reference Month.

(B) Cessation of publication

If the Calculation Agent determines that the level for the Inflation Index has not been published or announced for two (2) consecutive months, or the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index or the Inflation Index Sponsor otherwise cancels the Inflation Index, then the Calculation Agent shall determine a successor inflation index (the **Successor Inflation Index**) (in lieu of any previously applicable Inflation Index) for the purposes of the Inflation Linked Notes by using the following methodology:

(i) if at any time (other than after an early redemption has been designated by the Calculation Agent pursuant to this Condition 4.4), a successor inflation index has been designated by the calculation agent (or equivalent) pursuant to the terms and conditions of the Related Bond, such successor inflation index shall be designated a "Successor Inflation Index" notwithstanding that any other Successor Inflation Index may previously have been determined under paragraphs (B)(ii), (B)(iii) or (B)(iv) below of Condition 4.4.2;

(ii) if a Successor Inflation Index has not been determined pursuant to paragraph (B)(i) above of Condition 4.4.2, and a notice has been given or an announcement has been made by the Inflation Index Sponsor specifying that the Inflation Index will be superseded by a replacement Inflation Index specified by the Inflation Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, such replacement index shall be the Inflation Index for purposes of the Inflation Linked Notes from the date that such replacement Inflation Index comes into effect;

(iii) if a Successor Inflation Index has not been determined pursuant to paragraphs (B)(i) or (B)(ii) above of Condition 4.4.2, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If four or five responses are received and, of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If three responses are received and two or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If fewer than three responses are received or no Successor Inflation Index is determined pursuant to this paragraph (B)(iii) of Condition 4.4.2, the Calculation Agent will proceed to paragraph (B)(iv) below of Condition 4.4.2; or

(iv) if no replacement index or Successor Inflation Index has been determined under paragraphs (B)(i), (B)(ii) or (B)(iii) above of Condition 4.4.2 by the next occurring Cut-Off Date, the Calculation Agent, subject as provided below, will determine an appropriate alternative index from such Cut-Off Date, and such index will be deemed a "Successor Inflation Index"; or

(v) If the Calculation Agent determines that there is no appropriate alternative inflation index to Inflation Linked Interest Notes, the Issuer may redeem the Notes early at the Early Redemption Amount.

(C) Rebasing of the Inflation Index

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the **Rebased Index**) will be used for purposes of determining the level of the Inflation Index from the date of such rebasing; provided, however, that the Calculation Agent shall make adjustments as are made by the calculation agent (or equivalent) pursuant to the terms and conditions of the Related Bond, if "Related Bond" is specified as applicable in the applicable Final Terms, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, or, if "Related Bond" is not specified as applicable in the applicable Final Terms, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased.

(D) Material modification prior to last occurring Cut-Off

If, on or prior to the last occurring Cut-Off Date, the Inflation Index Sponsor announces that it will make a material change to the Inflation Index then the Calculation Agent shall make any such adjustments, if "Related Bond" is specified as applicable in the applicable Final Terms, consistent with adjustments made to the Related Bond, or, if "Related Bond" is not specified as applicable in the applicable Final Terms, only those adjustments to the Inflation Index necessary for the modified Inflation Index to continue as the Inflation Index.

(E) Manifest Error in Publication

With the exception of any corrections published after the day which is fifteen (15) Business Days prior to the relevant Redemption Determination Date, if, within thirty (30) calendar days of publication, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent may, in its discretion, make such adjustments to the terms of the Inflation Linked Notes as it determines appropriate to account for the correction and will notify the Noteholders of any such adjustments in accordance with Condition 11 (*Notices*).

(F) Consequences of an Additional Disruption Event

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may at its option:

(a) make any adjustment or adjustments to the payment or any other term or condition of the Notes as the Calculation Agent determines appropriate; and/or

(b) redeem all but not some of the Inflation Linked Notes on the date notified by the Calculation Agent to Noteholders in accordance with Condition 11 (*Notices*) by payment of the relevant Early Redemption Amount, as at the date of redemption, taking into account the relevant Additional Disruption Event.

4.4.3 Inflation Index disclaimer

The Notes are not sponsored, endorsed, sold or promoted by the Inflation Index or the Inflation Index Sponsor and the Inflation Index Sponsor does not make any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Inflation Index and/or the levels at which the Inflation Index stands at any particular time on any particular date or otherwise. Neither the Inflation Index nor the Inflation Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Inflation Index and the Inflation Index Sponsor is under no obligation to advise any person of any error therein. The Inflation Index Sponsor is not making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. The Issuer shall not have liability to the Noteholders for any act or failure to act by the Inflation Index Sponsor in connection with the calculation, adjustment or maintenance of the Inflation Index. Except as disclosed prior to the Issue Date specified in the applicable Final Terms, neither the Issuer nor its affiliates have any affiliation with or control over the Inflation Index or the Inflation Index Sponsor or any control over the computation, composition or dissemination of the Inflation Index. Although the Calculation Agent will obtain information concerning the Inflation Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Inflation Index.

4.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 11 (*Notices*).

4.6 Benchmark discontinuation

(A) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.6(B)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 4.6(D)) shall apply.

In making such determination, the Independent Adviser appointed pursuant to this Condition 4.6 shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents or the Noteholders for any determination made by it pursuant to this Condition 4.6.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4.6(A) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4.6(A).

(B) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

(i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.6); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.6).

(C) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread.

(D) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4.6 and the Independent Adviser determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.6(E), without any requirement for the consent or approval of Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.6(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.6 will be notified promptly by the Issuer to Monte Titoli, the Paying Agent, or if applicable, the Calculation Agent, the Paying Agents and, in accordance with Condition 11 (*Notices*), the Noteholders. Such notice shall be irrevocable and binding and shall specify the effective date of the Benchmark Amendments, if any.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4.6 (A), (B), (C) and (D), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(B) will continue to apply unless and until a Benchmark Event has occurred.

(G) Definitions

As used in this Condition 4.6:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case, that the Independent Adviser determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

(ii) if, in the case of a Successor Rate, no recommendation under paragraph (i) above has been made, or in the case of an Alternative Rate, the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) (if the Independent Adviser determines that no such spread is customarily applied) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4.6(B) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

"**Benchmark Amendments**" has the meaning given to it in Condition 4.6(D).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, by a specified date on or prior the next Interest Determination Date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the administrator or the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be, by a specified date on or prior the next Interest Determination Date, permanently or indefinitely discontinued; or

(iv) a public statement by the administrator or the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes, in each case by a specified date on or prior the next Interest Determination Date; or

(v) it has become unlawful for any Paying Agent, the Calculation Agent, or if applicable, the Paying Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or

(vi) a public statement by the administrator or the supervisor of the administrator of the Original Reference Rate that means the use of the Original Reference Rate is subject to restrictions or adverse consequences.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 4.6(A).

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

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

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

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

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

5. PAYMENTS

5.1 Payments to Noteholders

Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the Paying Agent to the accounts of the Monte Titoli Account Holders whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such Monte Titoli Account Holders to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and

Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be.

5.2 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in euro by Monte Titoli, on behalf of the Noteholders, in accordance with Condition 5.1 above.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.

5.3 Payment Day

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

 (i) in Milan;

 (ii) in each Additional Financial Centre (other than T2) specified in the applicable Final Terms; and

 (iii) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open; and

(b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 System is open.

5.4 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Zero Coupon Notes, the Early Redemption Amount (as calculated according to Condition 6.7 (*Early Redemption Amounts*)); and

(f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*).

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its principal amount outstanding or, in the case of each Note which is an Inflation Linked Redemption Note, determined in accordance with Condition 6.12 (*Calculation of Inflation Linked Redemption*) (each a **Final Redemption Amount** as applicable) in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

See Condition 6.11 (*Redemption of Inflation* Linked Notes) and Condition 6.12 (*Calculation of Inflation Linked Redemption*) in relation to each Note which is an Inflation Linked Redemption Note.

6.2 Redemption for tax reasons

Subject to Condition 6.7 (*Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Inflation Linked Interest Note) or on any Interest Payment Date (if this Note is a Floating Rate Note or an Inflation Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to Monte Titoli, the Paying Agent and, in accordance with Condition 11 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first

Tranche of the Notes; and

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

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Paying Agent to make available at its specified office to the Noteholders (i) a certificate signed by two officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in paragraph 6.7 (below) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

6.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Monte Titoli, the Paying Agent and, in accordance with Condition 11 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or,

(i) in the case of Notes that are not Step Up Notes only, if Make-Whole Amount is specified in the applicable Final Terms, will be an amount calculated by a third party/independent advisor appointed in this respect by the Issuer (such third party being a recognized financial institution or a financial markets specialist), equal to the higher of:

(a) 100% of the principal amount of the Note to be redeemed; or

(b) as determined by the Reference Dealers (as defined below), the sum of the then current values of the remaining scheduled payments of principal and interest to maturity (or, if Par Call Period is specified in the applicable Final Terms, to the Par Call Period Commencement Date) (not including any interest accrued on the Notes to, but excluding, the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Dealer Rate (as defined below) plus the Redemption Margin,

plus, in each case, any interest accrued on the Notes to, but excluding, the Optional

Redemption Date.

(ii) in the case of Notes that are Step Up Notes only, if Make-Whole Amount is specified in the applicable Final Terms, will be an amount calculated by a third party/independent advisor appointed in this respect by the Issuer (such third party being a recognized financial institution or a financial markets specialist), equal to the higher of:

(a) 100% of the principal amount of the Note to be redeemed; or

(b) as determined by the Reference Dealers (as defined below), the sum of the then current values of the remaining scheduled payments of principal of the Step Up Notes to be redeemed and interest to maturity (or, if Par Call Period is specified in the applicable Final Terms, to the Par Call Period Commencement Date) (not including any interest accrued on the Notes to, but excluding, the Optional Redemption Date) calculated by applying (1) if the Optional Redemption Date falls prior to the Step Up Event Notification Date or any earlier Reference Date and in either case no applicable Step Up Event (or no applicable Step Up Event comprising the Cumulative Step Up Event if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable) has occurred under these Conditions, at the Initial Rate of Interest (in the case of Fixed Rate Notes) or the Initial Margin (in the case of Floating Rate Notes), and (2) if the Optional Redemption Date falls after the Step Up Event Notification Date or any earlier Reference Date, at the Initial Rate of Interest (in the case of Fixed Rate Notes) or the Initial Margin (in the case of Floating Rate Notes) plus any applicable Step Up Margin (or any applicable Cumulative Step Up Margin if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable) unless the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition and/or the Net Energy Consumption Reduction Condition, as applicable, has been satisfied and the Issuer has provided the notice described in the definition of the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition and/or the Net Energy Consumption Reduction Condition, as applicable, in Condition 4.3 *(Step Up Option)* within the deadline provided therein confirming the satisfaction of the Scope 1 and 2 market-based GHG Emissions Reduction Condition and/or the Scope 3 from supply chain GHG Emissions Reduction Condition and/or the Net Energy Consumption Reduction Condition, as applicable, discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Dealer Rate (as defined below) plus the Redemption Margin,

plus, in each case, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

As used in this Condition 6.3 (*Redemption at the option of the Issuer (Issuer Call)*):

Make-Whole Amount is the amount, when applicable, calculated by a third party/independent advisor appointed in this respect by the Issuer in accordance with Condition 6.3(i) in the case of Notes that are not Step Up Notes or Condition 6.3(ii) in the case of Step Up Notes;

Par Call Period Commencement Date has the meaning given to it in the Final Terms;

Par Call Period has the meaning given to it in the Final Terms;

Redemption Margin shall be as set out in the applicable Final Terms;

Reference Bond shall be as set out in the applicable Final Terms;

Reference Dealers shall be as set out in the applicable Final Terms; and

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

Subsequent Rate of Interest means the Initial Rate of Interest plus the relevant Step Up Margin (or Cumulative Step Up Margin if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable); and

Subsequent Margin means the Initial Margin plus the relevant Step Up Margin (or Cumulative Step Up Margin if the applicable Final Terms specifies that a Cumulative Step Up Event is applicable).

In the case of a partial redemption of Notes, the Notes to be redeemed pursuant to this Condition 6.3 will be redeemed in compliance with applicable law and the rules of Monte Titoli, and the Optional Redemption Amount will be divided among all the Noteholders of the relevant Series pro rata to the principal amount outstanding of the Notes then held by the individual Noteholders.

6.4 Redemption at the option of the Issuer (Issuer Maturity Par Call)

If Issuer Maturity Par Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 15 nor more than 30 days' notice (or such other period of notice as is specified in the applicable Final Terms) in accordance with Condition 11 (*Notices*), to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) (the **Par Call Redemption Date**) redeem the Notes then outstanding in whole, but not in part, at any time during the Par Call Period specified in the applicable Final Terms at the Optional Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued but unpaid to (but excluding) the Par Call Redemption Date.

6.5 Redemption at the option of the Issuer (Clean-Up Call)

If Clean-Up Call is specified as being applicable in the applicable Final Terms, in the event that 20 per cent. or less or such other percentage (the "Clean-up Call Threshold" as may be specified in the applicable Final Terms) of the initial aggregate principal amount of a particular Series of Notes (including any Notes issued pursuant to Condition 14 (*Further Issues*)) remains outstanding, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 11 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the outstanding Notes in that Series at par together with any interest accrued to but excluding the date set for redemption. Any Notes that have been redeemed and cancelled by the Issuer pursuant to Condition 6.3 (*Redemption at the option of the Issuer (Issuer Call)*) at an Optional Redemption Amount equal to the Make-Whole Amount shall not be considered as purchased and cancelled for the purposes of this Condition 6.5.

6.6 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer, in accordance with Condition 11 (*Notices*), not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must within the notice period, deliver to the Issuer and the Paying Agent a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent. At least 5 Business Days prior to the Optional Redemption Date, the Issuer and the Paying Agent shall notify Monte Titoli and Borsa Italiana of the amount of Notes to be redeemed on the Optional Redemption Date and the aggregate Optional Redemption Amount, together with any other necessary information requested by Monte Titoli in respect of such redemption. The Paying Agent, in cooperation with the Issuer, will liaise with Monte Titoli in order to identify the applicable procedure, as the case may be.

Any notice given by a holder of any Note pursuant to this Condition 6.6 (*Redemption at the option of the Noteholders (Investor Put)*) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.6 (*Redemption at the option of the Noteholders (Investor Put)*) and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default*).

6.7 Early Redemption Amounts

For the purpose of Condition 4.4 (*Inflation Linked Note Provisions*), Condition 6.2 (*Redemption for tax reasons*) above and Condition 9 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = RP \times (1 + AY)^{y}$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first

Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365); or

(d) in the case of an Inflation Linked Interest Note and/or an Inflation Linked Redemption Note, at an amount calculated in accordance with Condition 6.11 (*Redemption of Inflation Linked Notes*) and Condition 6.12 (*Calculation of Inflation Linked Redemption*).

6.8 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes at any price in the open market or otherwise. All Notes so purchased will be cancelled.

6.9 Cancellation

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6.8 (*Purchases*) above cannot be reissued or resold.

6.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3 or 6.6 above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.7 above (*Redemption and Purchase – Early Redemption Amounts*) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 11 (*Notices*).

6.11 Redemption of Inflation Linked Notes

In respect of Inflation Linked Notes, the Calculation Agent will calculate such Final Redemption Amount or Early Redemption Amount (as the case may be) promptly after each time such amount is capable of being determined and will notify the Paying Agent thereof promptly after calculating the same. The Paying Agent will promptly thereafter notify the Issuer and cause notice thereof to be published in accordance with Condition 11 (*Notices*). The Issuer will notify any stock exchange on which the Notes are for the time being listed thereof.

6.12 Calculation of Inflation Linked Redemption

The Final Redemption Amount payable in respect of each Note that is an Inflation Linked Redemption Note shall be determined by the Calculation Agent on the Redemption Determination Date (utilising the DIR(*T*) value applicable to the Final Redemption Amount) in accordance with the following formula:

$$\text{Final Redemption Amount} = \text{Specified Denomination} * Max\left[100\%; \left[\text{Redemption Amount Multiplier}\right] * \left(\frac{DIR(T)}{DIR(0)}\right)\right]$$

The result of DIR(*T*) divided by DIR(0) shall be rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards and the Final Redemption Amount shall be rounded (if necessary) to the nearest euro cent with half a euro cent being rounded upwards.

The Early Redemption Amount payable in respect of each Note that is an Inflation Linked Interest Note or an Inflation Linked Redemption Note shall be the sum of (i) a principal amount determined by the Calculation Agent promptly after the time the Early Redemption Amount is capable of being determined in accordance with the formula set out above, provided that the reference to "Final Redemption Amount" shall be replaced by a reference to "Early Redemption Amount" and the DIR(*T*) value applicable to the Early Redemption Amount shall be utilised; and (ii) interest accrued but unpaid in respect of the period from, and including, the most recent Interest Payment Date to, but excluding, the date for redemption of the Notes where the Rate of Interest for such period shall be calculated in accordance with the applicable Final Terms.

Defined terms used in this Condition shall have the same meanings as set out in Condition 4.2(C) (*Interest – Interest on Floating Rate Notes and Inflation Linked Interest Notes – Rate of Interest – Inflation Linked Interest Notes*) provided that, DIR(*T*) means the value of the Inflation Index for (i) in the case of the calculation of the Final Redemption Amount, the Maturity Date and (ii) in the case of the calculation of the Early Redemption Amount, the date for redemption of the Notes, in each case calculated in accordance with the following formula where month "t" is the month and year of the Maturity Date in the case of (i) above and the month and year in which the date for redemption falls in the case of (ii) above:

DIR(T) = Inflation Index(t-Lookback Period 1)+[Inflation Index(t-Lookback Period 2)-Inflation Index(t-Lookback Period 1)]*[DayOfMonth-1)/DaysInMonth],

rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

If the date for redemption occurs prior to the first Interest Payment Date, a pro rata proportion of an amount equal to the product of the Initial Ratio Amount multiplied by DIR(T)/DIR(0) shall be added to the relevant Interest Amount (in respect of the period from and including the Interest Commencement Date to but excluding the date of redemption of the Notes) (such sum shall be rounded (if necessary) to the nearest euro cent with half a euro cent being rounded upwards).

Redemption Amount Multiplier has the meaning given to it in the applicable Final Terms, provided that if Redemption Amount Multiplier is specified as "Not Applicable", the Redemption Amount Multiplier shall be deduced to be equal to 100%.

The provisions of Condition 4.4 (*Inflation Linked Note Provisions)* shall apply *mutatis mutandis*.

7. TAXATION

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

(a) in relation to any payment or deduction of any interest, principal or other proceeds of any Note, presented for payment in the Republic of Italy; or

(b) the holder of which is liable for such taxes or duties in respect of such Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 5.3 (*Payment Day*)); or

(d) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by making a declaration or any other statement, including but not limited to, a declaration of residence or non-residence, but fails to do so; or

(e) in relation to any payment or deduction of any interest, principal or other proceeds of any Notes on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 or future similar law and any related implementing regulations (each as amended or supplemented from time to time); or

(f) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Republic of Italy.

Notwithstanding any other provision of the Terms and Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a **FATCA Withholding**). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

As used herein**:**

i. **Tax Jurisdiction** means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject by reason of its tax residence or a permanent establishment maintained therein in respect of payments made by it of principal and interest on the Notes; and

ii. the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 11 (*Notices*).

8. PRESCRIPTION

The Notes will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

9. EVENTS OF DEFAULT

9.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

(a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 calendar days; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 45 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) if any Indebtedness for Borrowed Money of the Issuer or any of its Material Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described), or the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period) or default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person (as extended by any originally applicable grace period), provided that no such event shall constitute an Event of Default unless the aggregate Indebtedness for Borrowed Money relating to all such events which shall have occurred and be continuing shall exceed at any time €100,000,000 (or its equivalent in any other currency); or

(d) any Security (other than any Security securing Project Finance Indebtedness or Indebtedness for Borrowed Money incurred in the circumstances described in the definition of Project Finance Indebtedness as if such definition referred to Indebtedness for Borrowed Money), present or future, created or assumed on or against all or a material part of the property, assets or revenues of the Issuer, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) which is not contested in good faith or discharged or cancelled within 60 days of such enforcement; or

(e) if any order is made by any competent court or resolution passed for the liquidation, winding up or dissolution (*scioglimento o liquidazione*) of the Issuer or any of its Material Subsidiaries and such order or resolution is not contested in good faith or discharged and cancelled within 60 days, save for the purposes of (i) a solvent amalgamation, merger, de-merger or reconstruction (a **Solvent Reorganisation**) under which the assets and liabilities of the Issuer or such Material Subsidiary, as the case may be, are assumed by the entity resulting from such Solvent Reorganisation and (A) such entity continues to carry on substantially the same business of the Issuer or such Material Subsidiary, as the case may be, and (B) in the case of a Solvent Reorganisation of the Issuer, such entity assumes all the obligations of the Issuer in respect of the Notes and an opinion of an independent legal adviser of recognised standing in the Republic of Italy has been delivered to the Paying Agent confirming the same prior to the effective date of such Solvent Reorganisation, or (ii) a reorganisation on terms previously approved by an Extraordinary Resolution; or

(f) (A) if the Issuer, acting directly and/or through any of its Material Subsidiaries, announces that the Group shall cease to carry on the whole of its business or (B) the Group ceases to carry on the whole of its business, save, in either case, for the purposes of (i) a Solvent Reorganisation under which the assets and liabilities of, as appropriate, the Issuer, and/or such Material Subsidiar(y/ies), as the case may be, are assumed by the entity resulting from such Solvent Reorganisation, and such entity assumes all the obligations of the Issuer in respect of the Notes and an opinion of an independent legal adviser of recognised standing in the Republic of Italy has been delivered to the Paying Agent confirming the same prior to the effective date of such Solvent Reorganisation or (ii) a reorganisation on terms previously approved by an Extraordinary Resolution; or

(g) if (i) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (ii) in any case (other than the appointment of an administrator) unless initiated by a member of the Group, is not contested in good faith or is not discharged within 60 days; or

(h) if the Issuer or any of its Material Subsidiaries fails to pay a final judgment (*sentenza passata in giudicato*, in the case of a judgment issued by an Italian court) of a court of competent jurisdiction within 60 days from the receipt of a notice that a final judgment in excess of an amount equal to the value of a substantial part of the assets or property of the Issuer or any of its Material Subsidiaries has been entered against it or an execution is levied, enforced upon or sued out against the whole or any substantial part of the assets or property of the Issuer or any of its Material Subsidiaries pursuant to any such judgment (for the purposes of paragraph (g) above and this paragraph (h), a "**substantial part**" of an entity's assets or property, as applicable, means a part of the relevant entity's assets or property which accounts for 30% or more of the relevant entity's assets or property as determined by reference to the most recently audited consolidated financial statements of the relevant entity); or

(i) if the Issuer or any of its Material Subsidiaries stops or announces that it shall stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent, or initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) otherwise than for the purposes of a solvent amalgamation, merger, de-merger or reconstruction,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Paying Agent, effective upon the date of receipt thereof by the Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

9.2 Definitions

For the purposes of the Conditions:

Indebtedness for Borrowed Money means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other debt securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

10. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) there will at all times be an agent;

(b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder. The

Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

11. NOTICES

For so long as the Notes are held through Monte Titoli, all notices regarding the Notes will be deemed to be validly given if published (a) through the systems of Monte Titoli, and (b) if and for so long as the Notes are admitted to listing and to trading on the MOT, or any other trading venue of Borsa Italiana S.p.A., the notice shall be delivered to Borsa Italiana S.p.A. to be published in accordance with the rules of Borsa Italiana S.p.A. (if and for as so long as the rules of the exchange so require), guidelines and market practice. If any such publication is not practicable, notice will be validly given if published in a leading daily English language newspaper of general circulation in Europe. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, with the Paying Agent.

12. AVAILABLE INFORMATION

This Condition 12 (*Available Information*) is applicable to Step Up Notes only if the Step Up Option is specified in the applicable Final Terms as being applicable.

Beginning with the annual financial statements of the Issuer for the fiscal year ending on 31 December published after the Issue Date of the relevant series of Step Up Notes, the Issuer will publish on its website and in accordance with applicable laws:

(i) its Scope 1 and 2 market-based GHG Emissions and/or its Scope 3 from supply chain GHG Emissions and/or Net Energy Consumption;

(ii) if applicable:

(1) the occurrence of any Baseline Recalculation Event and the related Redetermined Scope 1 and 2 market-based GHG Emissions Baseline and/or Redetermined Scope 3 from supply chain GHG Emissions Baseline and/or Redetermined Net Energy Consumption Baseline resulting from the occurrence of any such Baseline Recalculation Event; and

(2) the occurrence of any Perimeter Redetermination Eventand the related Redetermined Perimeter; and

(3) the occurrence of any Percentage Recalculation Event and the related Redetermined Scope 1 and 2 market-based GHG Emissions Reduction Percentage and/or Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage and/or Redetermined Net Energy Consumption Reduction Percentage,

in each case under points (i) and (ii) above (a) as indicated in the Group's consolidated financial statements also including the disclosure of non-financial information in accordance with Italian Legislative Decree 254/2016 (as amended and supplemented from time to time) or equivalent document prepared pursuant to applicable legislation, (e.g. Directive 2022/2464/EC and relevant Italian national transposition), and subsequent amendments and supplements thereto (the **Integrated Annual Report**) or (b) as included in a separate document published by the Issuer (the **Separate Report**); and

(iii) in respect of the Integrated Annual Report, an independent auditor's report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Italian Legislative Decree 254/2016, with Article 5 of CONSOB Regulation adopted with Resolution n. 20267 of 18 January 2018, and, with Legislative Decree 125/2024, Article 8 or, if applicable, in respect of the Separate Report, a verification assurance report issued by the External Verifier (each the **External Verifier Assurance Report**) in respect of (i) the Scope 1 and 2 market-based GHG Emissions and/or the Scope 3 from supply chain GHG Emissions and/or the Net Energy Consumption, and (ii) if applicable, the Redetermined Scope 1 and 2 market-based GHG Emissions Baseline and/or the Redetermined Scope 3 from supply chain GHG Emissions Baseline and/or the Redetermined Net Energy Consumption Baseline, and (iii) if applicable, the Redetermined Scope 1 and 2 market-based GHG Emissions Reduction Percentage and/or the Redetermined Scope 3 from supply chain GHG Emissions Reduction Percentage and/or the Redetermined Net Energy Consumption Reduction Percentage.

Each Integrated Annual Report and, if applicable, each Separate Report and, both in respect of the Integrated Annual Report or, if applicable, in respect of the Separate Report, the related External Verifier Assurance Report, will be published no later than 30 June of each year; provided that to the extent the Issuer determines that additional time will be required to complete the relevant Integrated Annual Report and, if applicable, the relevant Separate Report and, both in respect of the Integrated Annual Report or, if applicable, in respect of the Separate Report, the related External Verifier Assurance Report, then such Integrated Annual Report and, if applicable, Separate Report and, both in respect of the Integrated Annual Report or, if applicable, in respect of the Separate Report, the related External Verifier Assurance Report, shall be published as soon as reasonably practicable, but in no event later than 31 August of each year.

13. MEETINGS OF NOTEHOLDERS AND MODIFICATION

In accordance with the rules of the Italian Civil Code, the Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or any of the provisions of the Agency Agreement.

All meetings of the Noteholders will be held in accordance with applicable provisions of Italian law in force at the time and, where applicable Italian law so requires, the Issuer's by-laws in force from time to time. In accordance with Article 2415 of the Italian Civil Code, the meeting of Noteholders is empowered to resolve upon the following matters: (i) the appointment and revocation of the Noteholders' Representative, (ii) any amendment to these Conditions, (iii) motions for the composition with creditors (*concordato*) of the relevant Issuer; (iv) establishment of a fund for the expenses necessary for the protection of the common interests of the Noteholders and the related statements of account; and (v) any other matter of common interest to the Noteholders.

Such a meeting may be convened by the Board of Directors of the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, upon the request of any Noteholder(s) holding not less than 5% in nominal amount of the Notes for the time being remaining outstanding. If the meeting has not been convened following such request of the Noteholders, the same may be convened by a decision of the competent court in accordance with the provisions of Article 2367 of the Italian Civil Code. Every such meeting shall be held at a place as provided pursuant to Article 2363 of the Italian Civil Code.

Such meetings will be validly held if, subject to mandatory laws, legislation, rules and regulations of Italian law from time to time and, where applicable Italian law so requires, the Issuer's by-laws in force from time to time, there are one or more persons present being or representing Noteholders holding at least one fifth of the aggregate nominal amount of the Notes for the time being outstanding, provided that a higher majority may be required by the Issuer's by-laws.

The majority required to pass a resolution at any meeting convened to vote on any resolution will be one or more persons holding or representing at least two thirds of the aggregate nominal amount of the Notes for the time being outstanding represented at the meeting; provided, however, that certain proposals (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes) may only be sanctioned by a resolution passed at a meeting (as provided under Article 2415 of the Italian Civil Code) of Noteholders by one or more persons holding or representing not less than one half of the aggregate nominal amount of the Notes for the time being outstanding.

Officers and statutory auditors of the Issuer shall be entitled to attend the Noteholders' meetings but not participate or vote with reference to the Notes held by the Issuer. Any resolution duly passed at any such meeting shall be binding on all the Noteholders, whether or not they are present at the meeting.

A representative of the Noteholders (*rappresentante comune*) (the **Noteholders' Representative**), subject to applicable provisions of Italian law, is appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the Board of Directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter.

In derogation from Article 2415 of the Italian Civil Code, the Paying Agent and the Issuer may agree, without the consent of the Noteholders, to:

(a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 11 (*Notices*) as soon as practicable thereafter.

14. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which the interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

16.1 Governing law

The Notes and any non-contractual obligations arising out of or in connection with the Notes, are and shall be governed by, and construed in accordance with, English Law, except that the form and transferability of the Notes, as set out in Condition 1 (*Form, Denomination and Title*), shall be governed by, and construed in accordance with, Italian Law and Condition 13 (*Meetings of Noteholders and Modification*) is subject to compliance with the provisions of Italian law.

The Agency Agreement and any non-contractual obligations arising out of or in connection with it, are and shall be governed by, and construed in accordance with, Italian law.

16.2 Submission to jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes) and accordingly each of the Issuer and the Noteholders submits to the exclusive jurisdiction of the English courts.

Each of the Issuer and the Noteholders waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

16.3 Appointment of Process Agent

The Issuer appoints Laurentia Financial Services Limited at its registered office for the time being as its agent for service of process, and undertakes that, in the event of Laurentia Financial Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

USE OF PROCEEDS

An amount equal to the net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, as well as for any other purpose specified in the applicable Final Terms, including to finance or refinance any Eligible Green Projects, Eligible Social Projects or a combination of the foregoing, as applicable. In case of issuance of Green Bonds and/or Social Bonds and/or Sustainability Bonds, the Issuer will publish the relevant framework in accordance with the principles set out by ICMA, and will be available on the Issuer's website at www.italgas.it.

DESCRIPTION OF THE ISSUER

Overview

As of 31 March 2025, Italgas, through its consolidated subsidiaries, is the leading operator in the distribution of natural gas in Italy and Greece with 2,042 municipalities under concessions and 82,063 kilometres of gas distribution network.

Italgas was incorporated as a joint stock company (*società per azioni*) under the Laws of the Republic of Italy on 1 June 2016, specifically to implement the partial and proportional demerger of Snam S.p.A. (**Snam**). Pursuant to its by-laws (the **By-laws**), its final term ends on 31 December 2100, which term can be extended by the extraordinary shareholders' meeting of the company.

Italgas operates under the laws of the Republic of Italy. Italgas' registered address is Via Carlo Bo, 11, 20143, Milan, Italy and is registered with the Register of Enterprises in Milan with company number 09540420966. Its telephone number is +39 02 81872012.

As of 7 November 2016, the Issuer's shares have been listed on the Mercato Telematico Azionario (**MTA**) of the Italian stock exchange (i.e. Borsa Italiana S.p.A. (**Borsa Italiana**)).

As at the date of this Base Prospectus, the Issuer holds directly 100% of the share capital of Nepta[14], Bludigit[15], Italgas Reti, 90% of the share capital of Italgas Newco S.p.A. (**Italgas Newco**)[16], 50.66% of Toscana Energia, 67.22% of Geoside[17], 9.04% of Picarro Inc. (**Picarro**)[18], 1% of Gaxa S.p.A. (**Gaxa**) and, indirectly, through its shareholding in Italgas Reti, 51.85% of the share capital of Medea[19] and 15% of the share capital of Reti Distribuzione S.r.l. (**Reti Distribuzione**). In turn, Medea holds 49% of Energie Rete Gas S.r.l. (**Energie Rete Gas**)[20], Geoside holds 20.01% of Enerpaper S.r.l. (**Enerpaper**), Toscana Energia holds 42.96% of Gesam Reti S.p.A. (**Gesam Reti**) and 100% of Immogas S.r.l. (**Immogas**). Italgas Newco holds 100% of Enaon which in turn holds the entire share capital of Enaon EDA Hellenic Gas Distribution Company Single Member S.A., formerly Public Natural Gas Distribution Networks Single Member S.A.[21] (**Enaon EDA**)[22].

[14] On 16 October 2023, the extraordinary shareholders' meeting of Italgas Acqua S.p.A. resolved to change its company name to Nepta.

[15] On 16 June 2021, as a result of a partial and proportional demerger of Italgas Reti, the company Bludigit was established in order to rationalise the Group's activities and assets in the IT area and to propose a commercial offer of IT services by opening up collaborations with third parties to the Group. The rationalisation of the Group's IT activities was completed on 29 June 2021 with the capital increase following the contribution by Italgas of the specific IT company branch pertaining to it. For further information please refer to the section headed "*Description of the Issuer*" - "*Group structure*" below.

[16] On 19 September 2022, the extraordinary Shareholders' Meeting of Italgas Newco approved the transformation from a limited liability company (S.r.l.) to a joint stock company (S.p.A.). On 22 December 2022, Italgas sold an equity investment of 10% of the share capital of Italgas Newco to Phaethon Holdings Single-Member S.A.

[17] On 26 April 2021, the merger by incorporation of Toscana Energia Green S.p.A. in Geoside was completed. The transaction took effect for accounting and tax purposes from 1 January 2021 and for civil purposes from 1 May 2021. As a consequence, the share capital of Geoside is divided between Italgas (that, as said, holds 67.22% of the share capital) and Toscana Energia (that holds the remaining 32.78%). On 1 December 2021 Geoside executed the acquisition of 100% of the share capital of Fratelli Ceresa.

[18] On 2 March 2022, Italgas strengthened its partnership with Picarro through the acquisition of a minority stake in the capital of the US technological start-up company and world leader in sensors applied to gas distribution network monitoring as well as technologies for sectors characterised by the need to have extremely sensitive detection, such as environmental measurements relating to concentration of dangerous atmospheric pollutants, and the electronics industry for the identification of impurities in the environments dedicated to semiconductor production. On 4 November 2024, Italgas acquired no. 156,250 shares of Picarro Inc., increasing its equity investment in Picarro Inc. from 6% to 6,75%. On 5 and 14 March, Italgas acquired no. 200,000 and 331,249 shares, respectively, increasing its equity investment from 6,75% to 7,30%. On 27 May 2025, Italgas acquired no. 150,000 shares of Picarro Inc., increasing its equity investment in Picarro Inc. from 7,30% to 7,46%. On 3 July 2025, Italgas acquired no. 1,521,988 shares of Picarro Inc., increasing its equity investment in Picarro Inc. from 7,46% to 9,04%.

[19] On 13 December 2022, Medea acquired 100% of Janagas from Fiamma 2000 S.p.A. On 30 June 2023, the process of merger by incorporation of Janagas into Medea was completed. The legal effect of the merger was settled starting from 10 July 2023, and, as for accounting and tax effects, it was settled starting from 1 January 2023.

[20] On 21 December 2022, Medea became a shareholder of Energie Rete Gas with a 49% stake in the share capital, together with Energetica S.p.A. who holds the remaining 51%.

[21] On 27 January 2024, the extraordinary shareholders' meeting of DEDA S.A. resolved to change its company name to Enaon EDA Hellenic Gas Distribution Company Single Member S.A. (Enaon EDA), effective from 14 February 2024.

[22] On 1 September 2022, Italgas Newco executed the acquisition of 100% of the share capital of Enaon (formerly DEPA Infrastructure S.A.)., which, at the moment of the closing, held 100% of EDA Attikis, 100% of Enaon EDA formerly Public Natural Gas Distribution Networks S.A.) and 51% of EDA Thess. On 19 December 2022, Enaon finalised the acquisition of the remaining 49% of the share capital of EDA Thess

Italgas, through its subsidiary Italgas Reti, holds (i) 60% of the share capital of Cilento Reti Gas S.r.l., (ii) 60% of the share capital of Servizi Energetici IG S.r.l. (formerly 2i Servizi Energetici S.r.l.) and (iii) 40% of the share capital of Melegnano Energia Ambiente S.p.A.

Italgas, through its subsidiary Bludigit, holds 100% of the share capital of of Rete Dati IG S.r.l. (formerly 2i Rete Dati S.r.l.).

Italgas, through its subsidiary Nepta, holds (i) 95.7% of the share capital of Acqua Campania S.p.A. (**Acqua Campania**)[23] which holds 51% of the share capital of Laboratorio Acqua Campania S.r.l. (LAC); (ii) 99.22% of the share capital of Idrosicilia S.p.A. (**Idrosicilia**)[24], which holds 75% of the share capital of Siciliacque S.p.A. (**Siciliacque**)[25]; and (iii) 100% of Idrolatina S.r.l. (**Idrolatina**), which holds 49% of Acqualatina S.p.A. (**Acqualatina**).

Italgas also holds (i) 45% of the share capital of Umbria Distribuzione Gas S.p.A. (**Umbria Distribuzione Gas**) and (ii) 50% of the share capital of Metano S. Angelo Lodigiano S.p.A. (**Metano S. Angelo Lodigiano**).

The Issuer's main business is the distribution of natural gas which is a regulated activity in Italy under the authority of the ARERA. Under applicable regulations, these services must be offered to third parties on equal terms and conditions and at regulated tariffs. See the section headed "*Regulatory and Legislative Framework*" below.

Italgas elaboration based on MISE 2012 data shows that Italgas and its consolidated subsidiaries own approx. 33% of the market share in terms of the percentage of final gas users connected (approx. 34% if non-consolidated affiliates are included) and the market for the distribution of natural gas remains fragmented between 186 distributors (ARERA 2023 Report).

As at the date of this Base Prospectus, the Issuer's share capital is € 1,256,122,060.44 fully paid-up divided into 1,014,692,391 shares with no indication of nominal value. The shares are not divisible and each gives the right to one vote.

On 19 April 2018, the Extraordinary Shareholders meeting resolved to increase the share capital by a maximum amount of €4,960,000.00, through the issuance of no more than 4,000,000 new ordinary shares to be assigned free of charge, pursuant to article 2349 of the Italian Civil Code, for a corresponding maximum amount taken from retained earnings reserves, for beneficiaries of the incentive plan approved by the Ordinary meeting of 19 April 2018 (**Incentive Plan**), to be implemented no later than 30 June 2023. On 10 March 2021, the Board of Directors resolved to: (i) freely allocate 632,852 ordinary shares to the beneficiaries of the plan given the rights assigned (the so-called first cycle of the plan) and accrued in accordance with the provisions of such plan at the end of the relative performance period (i.e. 2018-2020) and (ii) implement the first tranche of the capital increase aspect

from ENI Plenitude S.p.A. Società Benefit. As a result, Enaon currently held 100% of EDA Thess. On 19 September 2023 the sole shareholder's General Meetings of the merging entities (namely EDA Thess, EDA Attikis and Enaon EDA) approved the merger by way of absorption of EDA Thess and EDA Attikis by Enaon EDA. On 30 September 2023 the merger by way of absorption of EDA Thess and EDA Attikis by Enaon EDA was registered officially in the Hellenic General Commercial Registry, in accordance with the applicable legislation. Therefore, as of 30 September 2023 Enaon EDA is the universal successor to all the rights, obligations and in general all legal relationships of the Absorbed Entities, namely EDA Thess and EDA Attikis.

[23] Acqua Campania fully owned Acqua Campania Sistemi S.r.l. in liquidation, which was cancelled from the Italian Company Register, effective from 19 April 2024. On 1 August 2024, the Shareholders' Meeting of Italgas Reti approved the partial and proportional demerger of part of the stake held in Acqua Campania in favor of Nepta. The demerger has an effective date of 7 November 2024, following which Nepta holds 95.7% and Italgas Reti holds 0.53% of Acqua Campania.

[24] Acqua S.r.l. had subscribed to the capital increase of Idrosicilia on 18 December 2024, bringing its shareholding to 99.22%; on 11 February 2025 the merger by incorporation of Acqua S.r.l. into Nepta became effective with accounting and tax effects taking effect from 1 January 2025.

[25] On 12 July 2024, the Extraordinary Shareholders' meeting of Siciliacque resolved upon the share capital increase. As a result, the shareholding structure of Siciliacque remained unchanged, with Idrosicilia owning 75% of its share capital and Regione Siciliana the remaining 25%.

of the plan, through the issuance of 632,852 new ordinary shares for a total of €784,736.48 taken from the retained profits. On 9 March 2022, the Board of Directors resolved to: (i) freely allocate 477,364 ordinary shares to the beneficiaries of the plan given the rights assigned (the so-called second cycle of the plan) and accrued in accordance with the provisions of such plan at the end of the relative performance period (i.e. 2018-2020) and (ii) implement the second tranche of the capital increase aspect of the plan, through the issuance of 477,364 new ordinary shares for a total of €591,931.36 taken from the retained profits. On 9 March 2023, the Board of Directors resolved to: (i) freely allocate 499,502 ordinary shares to the beneficiaries of the plan given the rights assigned (the so-called third cycle of the plan) and accrued in accordance with the provisions of such plan at the end of the relative performance period (i.e. 2018-2020) and (ii) implement the third tranche of the capital increase aspect of the plan, through the issuance of 499,502 new ordinary shares for a total of €619,382.48 taken from the retained profits.

On 20 April 2021, the Ordinary Shareholders' Meeting approved the 2021-2023 co-investment plan, in accordance with the terms and conditions described in the information document prepared pursuant to Article 84-bis of the CONSOB regulation approved with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented, and made available to the public in accordance with the law. In extraordinary session, the Shareholders' Meeting approved the proposal, in service of the 2021-2023 co-investment plan, to increase the share capital, in one or more tranches, for a maximum nominal amount of €5,580,000.00, through the issue of a maximum of 4,500,000 new ordinary shares to be assigned free of charge, pursuant to Article 2349 of the Italian Civil Code, for a corresponding maximum amount taken from retained earnings, exclusively to the beneficiaries of the plan, i.e. employees of the Company and/or Group companies.

On 12 March 2024, in execution of the 2021-2023 co-investment plan approved by the Ordinary and Extraordinary Shareholders' Meeting of 20 April 2021, the Board of Directors resolved on the free allocation of a total of 497,089 new ordinary shares of the Company to the beneficiaries of said plan (first cycle of the plan) and executed the first tranche of the share capital increase resolved on by the aforesaid Shareholders' Meeting, for a nominal amount of €619,390 taken from retained earnings reserves.

On 6 May 2024, the Ordinary Shareholders' Meeting approved the 2024-2025 co-investment plan, in accordance with the terms and conditions described in the information document prepared pursuant to Article 84-bis of the CONSOB regulation approved with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented, and made available to the public in accordance with applicable law. In the Extraordinary session, the Shareholders' meeting approved the proposal, in service of the 2024-2025 co-investment plan, to increase the share capital, in one or more tranches, for a maximum nominal amount of €3,720,000, through the issue of a maximum of 3,000,000 new ordinary shares to be assigned free of charge, pursuant to Article 2349 of the Italian Civil Code, for a corresponding maximum amount taken from retained earnings, exclusively to the beneficiaries of the plan, i.e. employees of the Company and/or Group companies.

On 12 February 2025, in execution of the 2021-2023 co-investment plan approved by the Ordinary and Extraordinary Shareholders' Meeting of 20 April 2021, the Board of Directors resolved on the free allocation of a total of 511,604 new ordinary shares of the Company to the beneficiaries of said plan (second cycle of the plan) and executed the second tranche of the share capital increase resolved on by the aforesaid Shareholders' Meeting, for a nominal amount of €634,388.96 taken from retained earnings reserves.

On 10 April 2025, Italgas Shareholders’ Meeting, in its extraordinary session, approved the proposal for a share capital increase for payment and in divisible form for a total maximum amount of €1,020 million (including any share premium), through the issue of ordinary shares, with regular dividend rights and having the same characteristics as those in circulation, to be offered as an option to the Company's shareholders in proportion to the number of shares held pursuant to Article 2441, paragraph

1, of the Civil Code, to be paid in cash (the **Rights Issue**). The Shareholders' Meeting granted the Board of Directors full authority to define the terms and conditions of the Rights Issue, including the issue price, any share premium, the final amount of the Rights Issue, and the number of newly issued shares to be offered to shareholders, with the discretion to determine the timing of the Rights Issue. The Rights Issue is intended to serve the acquisition of 2i Rete Gas, completed on 1 April 2025 and will allow to reduce the net financial debt of the Italgas Group post such transaction (and consequently the ratio between the net financial debt and the RAB), consistently with the current rating.

On 10 April 2025, the same Italgas Shareholders' Meeting, in its ordinary session, approved the 2025–2027 "IGrant" share ownership plan (**IGrant Plan**), reserved for employees of Italgas and/or Italgas Group companies, under the terms and conditions set out in the information document prepared pursuant to Article 84-bis of Consob Regulation No. 11971/1999 and made available to the public in accordance with the applicable law. The IGrant Plan aims to strengthen Italgas people's sense of belonging to Italgas by granting eligible participants the opportunity to invest in Italgas shares and, upon the achievement of certain conditions, benefit from the free allocation of the Italgas's ordinary shares. To service the IGrant Plan, the Shareholders' Meeting, in its extraordinary session, approved: (i) the proposal to increase the share capital for payment, in one or more tranches, for a maximum nominal amount of €4,960,000.00, excluding option rights pursuant to Article 2441, subsection 8, of the Italian Civil Code, by issuing no more than 4,000,000 ordinary shares, to be reserved for the subscription by the beneficiaries of the IGrant Plan and (ii) the proposal to increase the share capital free of charge, in one or more tranches, for a maximum nominal amount of €7,440,000.00, through the allocation pursuant to Article 2349 of the Italian Civil Code of a corresponding maximum amount of retained earnings reserves, with the issue of no more than 6,000,000 ordinary shares to be reserved for the beneficiaries of the IGrant Plan.

On 10 April 2025, the same Italgas Shareholders' Meeting, in its ordinary session, also approved the Stock Grant Plan (**Stock Grant Plan**), reserved for employees of Italgas and/or Italgas Group companies, under the terms and conditions outlined in the Information Document prepared pursuant to Article 84-bis of Consob Regulation No. 11971/1999 and made available to the public in accordance with applicable regulations, to which reference is made for further details. The Stock Grant Plan is designed, both as a reward and an incentive tool, to allow individuals who have made a significant contribution to the 2i Rete Gas transaction to benefit from a portion of the value creation generated by the transaction itself. To service the Stock Gran Plan, the Shareholders' Meeting, in its extraordinary session, approved the proposal to increase the share capital free of charge, in one or more tranches, for a maximum nominal amount of €558,000.00, through the assignment pursuant to Article 2349 of the Italian Civil Code of a corresponding maximum amount of reserves from retained earnings, with the issue of no more than 450,000 ordinary shares to be reserved for the beneficiaries of the Stock Grant Plan.

On 28 May 2025, CONSOB authorized by notice no. 0053957/25 the publication of the registration document, the securities note and the summary note relating to the offering and the admission to trading on the regulated market Euronext Milan, organized and managed by Borsa Italiana, of the newly issued ordinary shares of Italgas (the **New Shares**) resulting from the rights issue with pre-emptive subscription rights for a maximum total amount of Euro 1,020 million, including share premium, approved by the Extraordinary Shareholders' meeting of the Company held on 10 April 2025.

On 28 May 2025, the Issuer executed an underwriting agreement (the **Underwriting Agreement**) with J.P. Morgan SE (sole structuring advisor), BofA Securities Europe SA, Citigroup Global Markets Europe AG, Morgan Stanley & Co. International plc, and Société Générale, as joint global coordinators and joint bookrunners, and Banca Akros S.p.A. – Gruppo Banco BPM, as co-global coordinator and joint bookrunner (together, the **Underwriters**).

Under the Underwriting Agreement, the Underwriters have severally (and not jointly and severally) undertaken to subscribe for and pay, under the terms and conditions set forth in the Underwriting

Agreement and in proportion to their respective commitments, those New Shares that may remain unsubscribed at the end of the rights auction, up to a maximum aggregate amount of Euro 755,175,960.67. This amount corresponds to the difference between the overall amount of the offering and the portion equal to Euro 264,792,829.76, that the majority shareholder CDP Reti has committed to subscribe in full, representing its pro rata share of the Rights Issue, pursuant to the undertaking dated 22 May 2025, subject to certain conditions customary for similar transactions.

As at the date of this Base Prospectus, the Rights Issue resolved by the Extraordinary Shareholders' Meeting of Italgas on 10 April 2025, and the final terms and conditions of which were determined by the Board of Directors on 28 May 2025, has been fully subscribed for a total of 202,938,478 new shares of Italgas, for an aggregate amount of Euro 1,019,968,790.43.

As at the date of this Base Prospectus, based on information in the Issuer's shareholders' register, communications received pursuant to CONSOB Regulation No. 11971/1999 (as amended) and other information available to the Issuer, as far as the Issuer is aware, the shareholders owning interests in excess of 3% of the Issuer's ordinary shares are as follows: (i) CDP, with an overall amount of shares of 379,127,274, representing 37.364% stake of the ordinary share capital composed by 1,014,692,391 ordinary shares, held through CDP Reti S.p.A. (**CDP Reti**) and Snam[26] and (ii) Lazard Asset Management with an overall amount of shares of 93,790,043, representing a stake of 9.24% of the ordinary share capital composed by 1,014,692,391 ordinary shares. The remaining (free float) is held by other shareholders.

As at the date of this Base Prospectus the Issuer's long-term rating is "BBB+ - stable outlook" by Fitch, "Baa2 - stable outlook" by Moody's and "BBB+ - stable outlook" by S&P.

Historical Financial Information

In order to represent the financial and operating performance of the Italgas Group, the Base Prospectus presents financial information for the years ended 31 December 2024 and 31 December 2023 (included in the audited consolidated annual financial statements of Italgas Group as of and for the financial years ended 31 December 2024 and 31 December 2023 incorporated by reference in this Base Prospectus) and for the three months ended 31 March 2025 (included in the interim condensed consolidated financial statements of Italgas Group as at and for three months period ended 31 March 2025 incorporated by reference in this Base Prospectus).

Alternative Performance Measures

In order to better evaluate the Italgas Group's financial management performance the management has identified several Alternative Performance Measures (**APM**). Management believes that these APMs provide useful information for investors because they facilitate the identification of significant operating trends and financial parameters.

For a correct understanding of these APMs, note the following:

(i) the APMs are based on Italgas Group's historical data (as at 31 March 2025, 31 December 2024 and 31 December 2023);

(ii) the APMs are not derived from the International Financial Reporting Standards (**IFRS**) and, as they are derived from the consolidated financial statements prepared in conformity with these principles, they are not subject to audit;

[26] Based on the information included in the amended agreement of the Italgas Shareholders' Agreement executed on 21 March 2023 by CDP Reti and Snam, CDP owns 39.417% stake of the ordinary share capital through CDP Reti and Snam.

(iii) the APMs should not be considered as replacing the indicators required by IFRS;

(iv) the APMs should be read together with the financial information for the Italgas Group taken from the interim condensed consolidated financial statements as of and for the three months ended 31 March 2025, the consolidated financial statements for the years ending 31 December 2024 and 31 December 2023;

(v) since they are not derived from IFRS, the definitions used in connection with the APMs might not be standardised with those adopted by other companies/groups and therefore they are not comparable; and

(vi) the APMs and definitions used herein are consistent and standardised for all the periods for which financial information in this Base Prospectus is included.

The APMs reported below have been identified and used in this Base Prospectus because the Italgas Group believes that:

- net financial debt provides a better evaluation of the overall level of debt, the capital solidity and the capacity to repay the debt; and
- performance measurements relating to EBITDA, EBITDA Margin, EBIT and net profit, as well as adjusted configurations, analyse business performance, and provide a better comparison of the results; these indicators are also generally used for the purpose of evaluating company performance.

The Alternative Performance Measures identified from the management are:

- EBITDA: operating performance indicator, calculated as net profit for the period/year excluding income taxes, net income from equity investments, net financial expense, amortisation, depreciation and impairment;
- Adjusted EBITDA: adjusted EBITDA is calculated as net profit for the period/year excluding income taxes, net income from equity investments, net financial expense, amortisation, depreciation and impairment, *connection fees* and items classified as "special items", i.e. from: (a) non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; or (b) events or transactions which are not representative of the normal course of business;
- EBITDA Margin: the ratio between the (a) EBITDA and (b) total revenues and other income excludes (i) the effects of applying IFRIC 12 "Service Concession Arrangements", (ii) connection fees, (iii) reimbursements from third parties and other residual items;
- EBIT: operating performance indicator, calculated as net profit for the period/year excluding income taxes, net income from equity investments and net financial expense;
- Adjusted EBIT: adjusted EBIT is calculated as net profit for the period/year excluding income taxes, net income from equity investments, net financial expense and items classified as "special items", i.e. from: (a) non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; or (b) events or transactions which are not representative of the normal course of business;
- Capex: technical investments net of asset related to M&A transactions;
- Net financial debt: net financial debt is defined as the sum of current and non-current financial liabilities, net of cash and cash equivalents, current financial assets, for instance securities held for trading, and other current and non-current financial assets. The composition of net financial debt is determined in accordance with the ESMA Guidelines of March 4, 2021 on disclosure requirements under the Prospectus Regulation (ESMA 32-382-1138);

- Cash flow from operating activities: it represents the net cash flow from the operating activity of the mandatory schemes, excluding the effects deriving from the application of the IFRS 15 accounting standard (Other liabilities relating to connection contributions); and
- RAB: Value of net invested capital for regulatory purposes, calculated based on the rules defined by the ARERA in order to determine the benchmark revenues for the regulated businesses (ARERA Resolution 570/2019/R/gas for the gas distribution business).

The Italgas Group's consolidated core business revenue (*ricavi gestione caratteristica*) comprehensive of IFRIC 12 for the period ended 31 March 2025 was €644 million and Group adjusted net profit for the period was €133 million. Investment in property, plant and equipment and intangible assets during the period ended 31 March 2025 was €166 million.

The table below shows key financial and operating data for Italgas for the period ended 31 March 2025, 31 December 2024 and 31 December 2023:

(€ million)	**31 March 2025**	**31 December 2024**	**31 December 2023**
Core Business Revenue (1)	644	2,479	2,564
EBITDA	400	1,312	1,208
EBITDA adjusted (2)	345	1,351	1,184
EBITDA Margin	78%	75%	66%
EBIT	280	782	681
EBIT adjusted	225	821	681
Cash flow from operating activities	412	1,099	555
Capex	166	887	907
Operational data			
Gas distributed (bcm)	3.552	7.929	7.895
Active gas metering at redelivery points (million)	7.865	7.867	7.821

(€ million)	**31 March 2025**	**31 December 2024**	**31 December 2023**
Net financial debt (3)	6,467	6,672	6,555

(1) These core business revenues are comprehensive of IFRIC 12 as of 31 March 2025, 31 December 2024 and 31 December 2023.
(2) The income components are classified as special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; or (ii) they result from events or transactions which are not representative of the normal course of business.
The income components classified in the special items, which contribute to determining the adjusted results for the first three months of 2025, concern the exclusion of the effects deriving from the transposition of (a) gas distribution regulated revenue adjustments covering higher unit costs recognised for tariff purposes for the years 2020-2024, resulting from the implementation of Resolution no. 87/2025/R/gas (+€54.4 million in revenues with a tax effect of -€15.3 million); and (b) financial expenses related to the bridge credit facility for financing the 2i Rete Gas acquisition (-€1.3 million with a tax effect of +€0.3 million).
The income components classified in the special items for the year 2024, with an impact of €38.5 million on EBITDA and on EBIT, related to the effects arising from (a) the reduction in gas distribution regulated revenues following Resolution no. 207/2024/R/gas, which retroactively, for the period 2011-

2016, did not recognise the costs previously approved for the natural gas metering service, relating to smart reading/remote management systems and concentrators. The amount charged to Italgas Reti was €9.9 million, before the related tax effect (€2.8 million), (b) the reduction in gas distribution regulated revenues of €4.6 million (with a tax effect of €1.3 million) as a result of Resolution no. 704/2016/R/gas, supplemented by Resolution no. 525/2022/R/gas, relating to the tariff recognition of capital costs in start-up locations starting from the 2018 financial year in which Italgas Reti did not reach the ceiling (re-delivery point density per km of network) expected in the years following the first gas supply (the amount relates to the period 2018-2023) and (c) the reduction in gas distribution regulated revenues following the implementation of Resolution no. 490/2024/R/gas, which cancelled the gas distribution service safety premiums for the year 2020, and therefore the non-recognition of approximately €24.0 million (with a tax effect of €6.7 million).
The income components classified in the special items for the year 2023, with an impact of 23.9 million euros on EBITDA and nil on EBIT, related to the effects arising from the implementation of Resolution no. 737/2023/R/gas in terms of the recognition of the residual value of smart meter of a class not exceeding G6 produced up to the year 2016 and entered into operation by the year 2018 (revenue: 42.7 million euros and charges and impairments relating to defective smart meters in the same amount overall).
(3) The data excludes accounts payable per leasing pursuant to IFRS 16 and IFRIC 12 for €89 million as at 31 March 2025, €91 million as at 31 December 2024, and €79 million as at 31 December 2023.

The manager responsible for preparing the accounting and corporate documents, Gianfranco Maria Amoroso, declares, pursuant to paragraph 2, Article 154-*bis* of the Italian Legislative Decree no. 58/1998 (as amended and supplemented, *Testo Unico della Finanza*), that the accounting information contained in this Base Prospectus corresponds to the documented results, books and accounting records.

Competitive position

Any statements in this Base Prospectus regarding the Issuer's competitive position in Italy are, unless stated otherwise, based on information contained in the ARERA's 2023 Annual Report on Services and Activities (*Relazione annuale sullo stato dei servizi -Vol.1 e sull'attività svolta -Vol.2*) dated 9 July 2024 (the **ARERA 2023 Report**).

According to the ARERA 2023 Report, in 2023, 186 distributors were engaged in natural gas distribution in Italy, serving approximately 7,359 municipalities (*Comuni*) with approximately 22 million customers.

Italgas elaboration based on MISE 2012 data shows that the market for the distribution of natural gas remains fragmented with the principal operator being the Issuer and its consolidated subsidiaries, which owned approx. 33% of the market share in terms of the percentage of final gas users connected (approx. 34% if non-consolidated affiliates are included). In recent years, the market has been experiencing a restructuring and consolidation process due to several mergers and acquisitions in the sector.

History

The history of Italgas began in 1837 as Compagnia di illuminazione a Gaz per la Città di Torino. It was the first company in Italy, and among the first companies in Europe, to produce and distribute gas for lighting purposes.

The expansion to the rest of Italy started 25 years later, with the new company named Società Italiana per il Gas. In subsequent years, with the advent of electric power, the company changed its product offering and launched the distribution of manufactured gas for cooking and heating purposes. In 1967, Italgas became part of the Eni group.

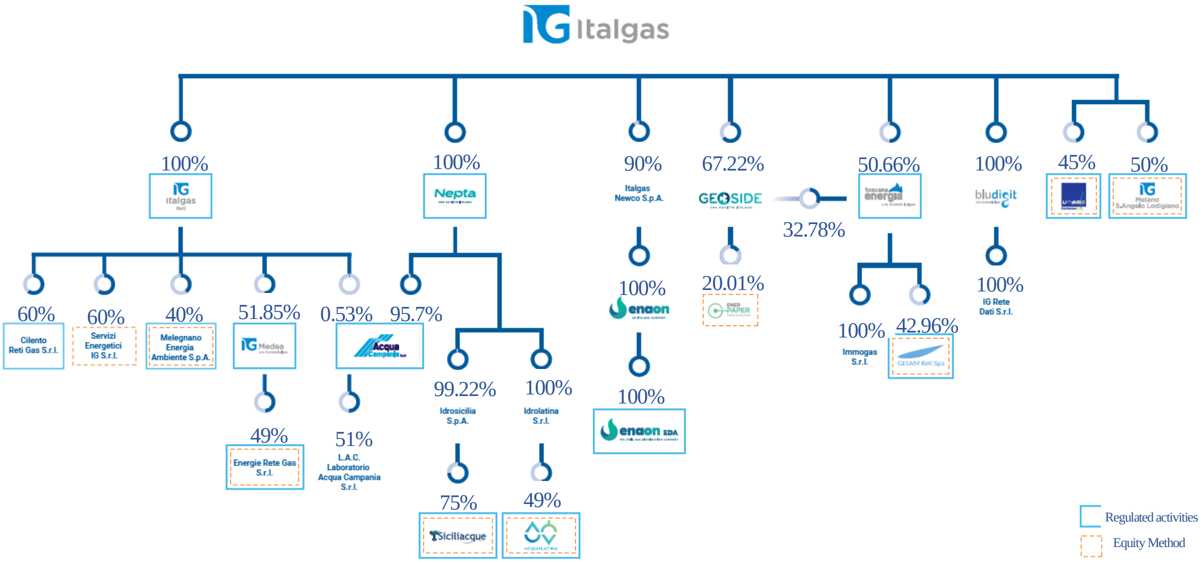
With the progressive affirmation of natural gas and the development of gas pipeline transportation networks since the 1970s, the company focused on the construction of networks for urban distribution and the sale of gas for domestic use, taking on the leading role in Italy's growth of methanisation. In 2000, in parallel with new legal provisions on the unbundling of gas distribution activities from selling activities, the latter were separated from Italgas and merged into ENI S.p.A..

The shares of Italgas were listed on the MTA of Borsa di Milano from 1900 to 2003. Following its sale by Eni, Italgas was part of the Snam group from July 2009 until the separation of Italgas from Snam through a partial and proportional demerger.

On 7 November 2016, such demerger was effective and the Issuer's shares were admitted to trading on the MTA.

Group Structure

As at the date of this Base Prospectus, the Group Structure is as follows:



On 6 December 2017 Italgas Reti acquired 90.03% of the share capital of Enerco Distribuzione S.p.A. (**Enerco**) (being the remaining 9.97% represented by own shares). Enerco owned 100% of the share capital of SGS S.r.l. (**SGS**).

On 28 February 2018, Italgas Reti acquired 100% of the share capital of Ichnusa Gas S.p.A. (**Ichnusa Gas**), a holding company controlling 12 companies with granted concessions for the installation and operation of gas distribution networks in 74 municipalities in Sardinia.

On 13 March 2018 Italgas acquired 100% of the share capital of Geoside. Geoside is one of the largest Italian Energy Service Companies (**ESCo**), on the cutting edge in offering digital services due to its skills in the field of Big Data, Business Intelligence and Machine Learning. Geoside has a customer base of over 400 clients and operates in different sectors: from large industry to SMEs, from service providers to public administration.

On 6 April 2018 Italgas Reti acquired 100% of the share capital of Medea, a LPG distribution company based in Sassari.

On 31 May 2018, Italgas acquired 98% of the capital of Favaragas Reti S.r.l. (**Favaragas**), Siculianagas Reti S.r.l. (**Siculianagas**), Baranogas Reti S.r.l. (**Baranogas**), Ischia Reti Gas S.r.l. (**Ischia Reti Gas**), Progas Metano S.r.l. (**Progas**) and Grecanica Gas S.r.l. (**Grecanica**), companies granted concessions for the installation and operation of gas distribution networks in 16 municipalities of Southern Italy.

The companies Acam Gas S.p.A., Enerco and SGS were merged into Italgas Reti, effective from 1 January 2018 for accounting purposes; at the same date, the assets related to the water services were spun off from Italgas Reti and contributed to a new company named Nepta. Nepta owns 5 concessions for water distribution in the south of Italy.

In addition, during the month of January 2018, Italgas finalised the acquisition of the business units of Amalfitana Gas S.r.l. and AEnergia Reti S.r.l., related respectively to the distribution of the natural gas in three ATEMs in Campania and Basilicata and to the distribution network serving the Municipality of Portopalo di Capopassero (Siracusa).

On 27 November 2018, Italgas Reti acquired the remaining 2% of the corporate capital of Grecanica, Progas, Baranogas, Favaragas, Siculianagas and Ischia Reti Gas.

On 28 November 2018, Ichnusa Gas was merged by incorporation into Medea.

On 30 November 2018, Italgas Reti acquired from CPL Concordia 100% of the corporate capital of Naturgas S.r.l. (**Naturgas**) and Fontenergia S.r.l. (**Fontenergia**) and 60% of the corporate capital of European Gas Network S.r.l. (**European Gas**). Subsequently, on 17 April 2019, Italgas Reti acquired the remaining 40% of the latter. European Gas owned 100% of the corporate capital of Marigliano Gas S.r.l., Ischia Reti Gas and EGN Distribuzione S.r.l. and together with its subsidiaries was merged by incorporation into Italgas Reti on 1 August 2019.

On 12 March 2019, the process of merger by incorporation of Grecanica, Progas, Baranogas, Favaragas, Siculianagas, Ischia Reti Gas together with Naturgas into Italgas Reti was completed.

On the same date, Fontenergia 4 S.r.l., Fontenergia 6 S.r.l., Fontenergia 7 S.r.l., Fontenergia 9 S.r.l., Fontenergia 10 S.r.l., Fontenergia 11 S.r.l., Fontenergia 15 S.r.l., Fontenergia 19 S.r.l., Fontenergia 26 S.r.l., Fontenergia 27 S.r.l., Fontenergia 35 S.r.l. e Fontenergia 37 S.r.l. were merged together with Fontenergia into Medea.

On 30 April 2019, based on the agreement signed with the Conscoop group, the purchase of the following was finalised: (i) the business unit of Aquamet S.p.A., including, *inter alia*, 9 natural gas distribution concessions in some municipalities in Lazio, Campania, Basilicata and Calabria, for a total of 23,800 users served; (ii) the business unit of Isgas Energit Multiutilities S.p.A., holder of propane-air distribution concessions in the Sardinian municipalities of Cagliari, Nuoro and Oristano, for a total of roughly 22,300 users currently served with LPG; (iii) 100% of Mediterranea S.r.l. (**Mediterranea**), holder of 6 concessions for natural gas distribution in the province of Salerno, with approximately 3,600 users served.

On 7 May 2019 Medea Newco S.r.l.[27], a limited liability company entirely controlled by the Issuer, was established and became operational starting from the beginning of 2020.

On 1 August 2019 Italgas signed a binding agreement with the European infrastructure fund Marguerite II, participated by the EIB and several of the main European national promotional banks (the Italian Cassa Depositi e Prestiti, the French Caisse des Dépôts group, the Polish BGK, the German KfW and the Spanish ICO). The agreement, concerning the purchase of stakes either in Medea or in Gaxa was executed on 18 December 2019 and is explained hereinafter.

On 25 September 2019 Italgas finalised the acquisition of the going concern related to the distribution of natural gas in the municipality of Cannara (Perugia) by Sienergas Distribuzione S.r.l..

On 1 October 2019 Italgas acquired from the Municipalities of Bientina, Buti, Calcinaia, Casciano Terme Lari and Palaia no. 2,897,778 shares of the company Toscana Energia, increasing its equity investment in Toscana Energia from 48.68% to 50.66%.

On 21 October 2019, the company Mediterranea was merged by incorporation into Italgas Reti, with legal effect as of 1 November 2019.

[27] On 15 November 2019, the Shareholders' Meeting of Medea Newco S.r.l. resolved to change its name to Gaxa S.r.l.. On 18 December 2019, the Shareholders' Meeting of Gaxa resolved to change the company to a joint stock company with consequent change of company name and increase of the share capital (change with effect as of 14 January 2020).

On the same date, in order to comply with the Unbundling Regulation, which applies starting from the date on which Gaxa is able to sell natural gas in Sardinia, a partial demerger of the sale branch of Medea in favour of Gaxa was entered into, with effect as of 1 December 2019.

On 12 December 2019, Geoside purchased the 10% of the corporate capital of Enerpaper, an innovative start-up that holds a thermal insulation technology for buildings.

According to the agreement entered into on 1 August 2019 with fund Marguerite II, on 18 December 2019, the Luxembourg funds Marguerite Gas IV S.à r.l. and Marguerite Gas III S.à r.l. respectively purchased 48.15% of the share capital of Gaxa and Medea.

On 31 January 2020 the agreement for the sale of several non-core industrial assets between Italgas and A2A, signed on 7 October 2019, was finalised. In particular, Italgas Reti sold to A2A Calore & Servizi (A2A group) the entire district heating business managed in the Municipality of Cologno Monzese (Milan); at the same time, Unareti (A2A group) sold Italgas Reti its natural gas distribution business managed in seven Municipalities belonging to the Alessandria 4 ATEM.

In compliance with the “Invitation to Submit Expression of Interest”, published on 9 December 2019, as part of the privatisation process launched by the Greek government, the expression of interest in the purchase of 100% of the capital of Enaon was presented on 20 February 2020. The assets transferred included more than 420 thousand re-delivery points in Greece and around 5000 km of low-pressure networks. On 3 June 2020 the inclusion of Italgas in the short list of subjects admitted to the next phase of the tender for the acquisition was confirmed.

On 26 May 2020, Italgas Reti finalised the acquisition from AEG Soc. Coop. (**AEG**) of 15% of the company Reti Distribuzione, which manages the natural gas distribution service in the territory of 49 Municipalities located in Canavese, Valle Orco and Soana and in the Municipality of Saluggia.

On 26 June 2020 Italgas established Italgas Newco. On 28 January 2021, under the framework agreement signed between Italgas and Conscoop on 28 December 2020, the acquisition of the concession for the distribution of natural gas in the Municipality of Olevano sul Tusciano was concluded. The network extends for about 26 kilometers to cover a potential catchment area equal to a total of 2,500 resident families.

On 26 April 2021, the merger by incorporation of Toscana Energia Green S.p.A. in Geoside, started in January 2021, was completed. The transaction took effect for accounting and tax purposes from 1 January 2021 and for civil purposes from 1 May 2021. As a consequence, the share capital of Geoside is divided between Italgas (that, as stated, holds 67.22% of the share capital) and Toscana Energia (that holds the remaining 32.78%).

On 23 June 2021, as a result of a partial and proportional demerger of Italgas Reti, the company Bludigit was established in order to rationalise the Group's activities and assets in the IT area and to propose a commercial offer of IT services by opening up collaborations with third parties to the Group. The rationalisation of the Group's IT activities was completed on 1 July 2021 with the capital increase following the contribution by Italgas of the specific IT company branch pertaining to it.

Following the framework agreement signed between Italgas and Conscoop on 28 December 2020, on 13 July 2021, Italgas through its subsidiary Medea finalised the purchase of the entire share capital of Isgastrentatrè S.p.A., a company active in the natural gas distribution sector in Sardinia. On 28 January 2021, under the same agreement, the acquisition of the concession for the distribution of natural gas in the Municipality of Olevano sul Tusciano (SA) was concluded. The network extends for about 26 kilometers to cover a potential catchment area equal to a total of 2,500 resident families.

On 15 July 2021, in compliance with the request for submission of binding offers for the acquisition of a 100% stake in Enaon, originally dated 7 August 2020, as subsequently amended, Italgas submitted the binding offer for the acquisition of 100% of the share capital of Enaon. At the beginning of September 2021, Italgas was selected as "Preferred Bidder" in such international tender process. It has agreed to pay a consideration equal to €733 million for 100% of Enaon equity. On 10 December 2021, Italgas signed the relevant sale and purchase agreement.

On 9 November 2021 the process of merger by incorporation of Isgastrentatrè into Medea was completed, effective from 14 July 2021 for accounting purposes.

On 1 December 2021 Geoside executed the acquisition of 100% of the share capital of Fratelli Ceresa S.p.A. (**Fratelli Ceresa**), a company specialising in the supply of energy services. Fratelli Ceresa, founded in 1921 and based in Beinasco (TO), has a significant portfolio of 3,700 customers, in over 800 condominiums, mainly located in the Turin area.

On 2 March 2022, Italgas strengthened its partnership with Picarro through the acquisition of a minority stake in the capital of the US technological start-up company and world leader in sensors applied to gas distribution network monitoring as well as technologies for sectors characterised by the need to have extremely sensitive detection, such as environmental measurements relating to the concentration of dangerous atmospheric pollutants, and the electronics industry for the identification of impurities in the environments dedicated to semiconductor production.

On 7 April 2022, the non-proportional and asymmetrical demerger of Valdarno was executed in favour of the newly incorporated company Immogas, fully participated by Toscana Energia and to which the assets and contractual relationships subject to the demerger were assigned. Following the demerger, Valdarno is wholly owned by the Municipality of Pisa.

On 4 May 2022, the closing of the transaction by which Edison acquired a majority stake in Gaxa was finalised. The shareholding structure of Gaxa at that time was then composed of Edison Energia S.p.A **(Edison Energia**) (70%), Italgas (15.56%) and Marguerite (14.44%). The partnership with a leading operator specialising in retail activities strengthens Gaxa's commercial presence and outlook for development, with positive impacts on the investment plan for Sardinia promoted by Italgas.

On 20 July 2022, the process of merger by incorporation of Fratelli Ceresa into Geoside was completed, effective from 1 January 2022 for accounting purposes.

On 26 July 2022, Medea entered into an investment agreement with Energetica S.p.A. (**Energetica**) to acquire capital of Energie Rete Gas, a gas transmission company of the Energetica group, with around 142 km of regional gas pipelines. On 21 December 2022, the closing of the transaction through which Medea acquired 49% of the share capital of Energie Rete Gas was finalised. This transaction was performed in part through the contribution to Energie Rete Gas of assets and activities of Medea relating to the transportation of gas: 63 cryogenic liquefied natural gas (**LNG**) plants, for a total capacity of 2,350.25 cubic metres of LNG, and related equipment to serve the active distribution networks in the municipalities under concession to Medea.

On 1 September 2022, Italgas Newco executed the acquisition of 100% of the share capital of Enaon. Enaon at the time of completion of the transaction held 51% of the share capital of Thessaloniki – Thessalia Gas Distribution S.A. (**EDA Thess**), 100% of the share capital of Attiki Natural Gas Distribution Single Member Company S.A. (**EDA Attikis**) and 100% of the share capital of Enaon EDA. The transaction was finalised following the fulfilment of the conditions precedent set forth in the Sales and Purchase Agreement and was financed by Italgas liquidity.

On 19 September 2022, the extraordinary Shareholders' Meeting of Italgas Newco approved the transformation from a limited liability company (S.r.l.) into a joint stock company (S.p.A.).

On 19 September 2022, the extraordinary Shareholders' Meeting of Seaside S.p.A. resolved to change its name to Geoside.

On 2 August 2022, Italgas signed a binding agreement for the acquisition from Fiamma 2000 group of the LPG distribution and sales business, with related networks and plants, managed in 12 municipalities in Sardinia. Following the fulfilment of the conditions precedent set out in the purchase and sale contract, on 13 December 2022 the purchase from the Fiamma 2000 group of the entire share capital of Janagas S.r.l. (**Janagas**) by Medea was finalised. Janagas is the corporate vehicle to which Fiamma 2000 group transferred the LPG distribution and sales networks in Sardinia, which will subsequently be converted to natural gas.

On 19 December 2022, Enaon completed the acquisition of the remaining 49% of the share capital of EDA Thess held by Eni Plenitude Società Benefit S.p.A., thus becoming the sole shareholder of EDA Thess.

On 22 December 2022, the Issuer finalised the transaction for the sale of 10% of the share capital of Italgas Newco to Phaeton Holding Single Member S.A., a company belonging to the Greek industrial group Copelouzos. The sale of the stake took place at the same implicit valuation of the Enaon share package offered by the Issuer in the privatisation.

In June 2023, the merger by incorporation of Janagas into Medea, both Italgas Group companies, was finalised, effective as at 10 July 2023. The effectiveness of the merger will allow the two companies to pool their strengths and know-how in order to contribute to the Italgas Group's strategic objectives for the further development of energy in Sardinia.

On 29 June 2023, the Extraordinary Shareholders' meeting of Gaxa resolved upon the share capital increase according to Article 2447 of the Italian Civil Code. As a result, at that time, Italgas held 5% of Gaxa's share capital and Edison Energia held the remaining 81.82%.

On 30 June 2023, the process of merger by incorporation of Janagas into Medea was completed. The legal effect of the merger was settled starting from 10 July 2023, and, as for accounting and tax effects, it was settled starting from 1 January 2023.

On 6 September 2023, the Extraordinary Shareholders' meeting of Gaxa resolved upon the share capital increase according to Article 2447 of the Italian Civil Code. As a result, at that time, the shareholding structure of Gaxa was composed of Edison Energia (95%) and Italgas (5%).

On 30 September 2023, the merger by incorporation of EDA Thess and EDA Attikis in Enaon EDA was completed. The transaction took effect for accounting and tax purposes and for civil purposes from 30 September 2023.

On 16 October 2023, Nepta completed the acquisition from Veolia of the water concessions business unit in Italy, which includes, *inter alia*, 100% of Acqua, which in turn directly holds (a) 98.7% of Idrosicilia and, indirectly, 75% of the equity of Siciliacque; and (b) 100% of Idrolatina, which in turn holds 49% of Acqualatina.

On the same date, the extraordinary shareholders' meeting of Italgas Acqua S.p.A. resolved to change its company name to Nepta.

On 11 January 2024, the Extraordinary Shareholders' Meeting of Gaxa resolved upon a further share capital increase. As a result, the new shareholding structure of Gaxa is composed of Edison Energia (99%) and Italgas (1%).

On 26 January 2024, the Extraordinary Shareholders' Meeting of Depa Infrastructure resolved to change its company name to Enaon Sustainable Networks Single Member S.A., effective from 14 February 2024.

On 27 January 2024, the Extraordinary Shareholders' Meeting of DEDA resolved to change its company name to Enaon EDA Hellenic Gas Distribution Company Single Member S.A., effective from 14 February 2024.

On 30 January 2024, Italgas Reti acquired from Vianini Lavori S.p.A. a stake representing 47.8% of the share capital of Acqua Campania.

On 24 April 2024, Italgas Reti completed the acquisition of a stake representing 47.9% of the share capital of Acqua Campania, held by Veolia Group, thus resulting in owning 96.23% of Acqua Campania's stake.

On 13 May 2024, Italgas announced that, further to the submission of a non-binding offer for the acquisition of the entire share capital of 2i Rete Gas, the shareholders F2i SGR S.p.A. (**F2i SGR**) and Finavias S.à.r.l. (**Finavias**) granted Italgas an exclusivity period to perform due diligence with the objective to submit a binding offer for the acquisition of 100% of the share capital of 2i Rete Gas.

Furthermore, on 16 May 2024, Italgas informed that its major shareholder CDP Reti underlined in a letter that "*considering the strategic role of the infrastructure and energy sectors, we look favorably on the possibility of the transaction to take place, recognizing the potential industrial value*".

"*In this perspective, as shareholders, we are willing to evaluate forms of support for the implementation of the potential transaction, once the information necessary to verify the existence of the prerequisites for our intervention has been acquired" and "in any case subject to the resolutions of the relevant corporate bodies*."

On 5 October 2024 Italgas announced that F2i SGR and Finavias accepted the binding offer relating to the purchase of their shareholding in 2i Rete Gas and the related share purchase agreement has been signed. The positive outcome follows the negotiations disclosed to the market on 13 May 2024.

2i Rete Gas is the second-largest gas distribution operator in Italy, present across most of the country, serving 4.9 million customers. In 2023 it recorded adjusted revenues of €815.0 million, an adjusted EBITDA of €546.3 million, an adjusted EBIT of €317.7 million, and an adjusted net profit of €181.3 million. In 2023 investments amounted to €372.2 million.

On 1 August 2024, the Shareholders' Meeting of Italgas Reti approved the partial and proportional demerger of Acqua Campania into Nepta. The demerger has an effective date of 7 November 2024, following which Nepta holds 95.7% and Italgas Reti holds 0.53%.

On 18 December 2024 Acqua S.r.l. subscribed to the capital increase of Idrosicilia, bringing the shareholding to 99.22%.

On 14 January 2025, Italgas exercised the option provided for in the agreement signed on 27 December 2022 with Toscana Energia and Alia Servizi Ambientali S.p.A. (**Alia Servizi Ambientali**), which granted Italgas an option to purchase the 30,134,618 shares of Toscana Energia held by Alia Servizi Ambientali, following their transfer by the City of Florence. The purchase price of Toscana Energia's shares is to be determined as the "Fair market value" on the date of execution of the option, to be calculated by an international financial institution that has been jointly appointed by the parties.

On 11 February 2025 the deed of merger of Acqua into Nepta became effective with accounting and tax effects taking effect on 1 January 2025.

On 1 April 2025, Italgas closed the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from the sellers F2i SGR and Finavias.

The acquisition was finalized following the obtaining of the golden power, foreign subsidies regulation authorizations and of the AGCM.

On 11 March 2025, the acquisition of 2i Rete Gas was authorized by the AGCM, which provided for:

(i) with reference to the 31 ATEMs[28] in which both the Italgas Group and the 2i Rete Gas' group each hold a share of the RPs equal to at least 20% per ATEM and jointly control more than 50% of the RPs, the transfer of control, both de facto and de jure, of assets corresponding to at least 20% of the post-acquisition Group's total RPs, as well as with certain behavioural measures aimed at incentivizing participation in future tenders within the scope by competitors of the post-acquisition Group, applicable (a) to the RPs of the post-acquisition Group subject to divestiture, where divestitures were not finalized due to the absence of bids equal to or higher than the minimum price, not disclosed to the market, set by the AGCM and, in any case, (b) to the RPs of the post-acquisition Group not subject to divestiture. In particular, the behavioural measures applicable to the hypothesis under (a) concern the conclusion of a transitional service agreement; the hiring of employees by the outgoing operator; the obligation to provide certain data and information to third parties upon request; in the event of a request by the winning operator, the anticipation of the expiry dates of the concessions financed by the so-called "*piano di metanizzazione del Mezzogiorno*"; the deferral of the payment of the VIR for a maximum period of three years, with the application of an interest rate to be calculated on the basis of parameters provided in the measure (or alternatively the granting to the successful operator of an indemnity). The behavioural measures relating to hypothesis (b) are the same, with the exception of the bringing forward of the expiry dates of the concessions financed by the so-called "*piano di metanizzazione del Mezzogiorno*";

(ii) with reference to the 4 ATEMs[29] in which the 2i Rete Gas' group manages a percentage of the RPs of the ATEM ranging between 15% and 20%, and in which the joint presence of the Italgas Group and the 2i Rete Gas' group exceeds 50% of the RPs managed, the transfer of control, both de facto and de jure, of the assets corresponding to at least the number of RPs acquired by the Italgas Group from the 2i Rete Gas' group, as well as the behavioural measures already envisaged in relation to the 31 ATEMs referred to in paragraph (i) above aimed at incentivizing participation in future tenders within the scope by competitors of the post-acquisition Group, applicable where divestitures were not finalized due to the absence of offers above the minimum price (not disclosed to the market) set by the AGCM;

(iii) with reference to the 30 ATEMs[30] in which the AGCM has found the existence of an indirect restriction due to the size attained by the post-acquisition Group, the behavioural measures already envisaged in relation to the 31 ATEMs referred to in paragraph (i) above (subject to the temporal extension of the payment of the VIR for a maximum period of 18 months without the granting of an indemnity to the successful operator), aimed at incentivizing participation in future tenders within the scope by competitors of the post-acquisition Group.

[28] Agrigento, Bari 2, Benevento, Brescia 5, Caltanissetta, Campobasso, Caserta 2, Catania 1, Frosinone 2, L'Aquila 2, Mantova 2, Massa Carrara, Matera, Messina 2, Napoli 2, Novara 2, Padova 2, Padova 3, Potenza 1, Potenza 2, Ragusa, Reggio di Calabria-Vibo Valentia, Roma 4, Roma 5, Salerno 1, Salerno 3, Teramo, Torino 6, Trapani, Varese 1, Viterbo.

[29] Barletta- Andria-Trani, Caserta 1, Cosenza 2, Pisa.

[30] Alessandria 4, Ascoli Piceno, Asti, Cosenza 1, Cuneo 1, Foggia 2, Genova 2, Imperia, Isernia, Latina, Lecce 2, Lecco 2, Lodi 2, Lucca, Messina 1, Milano 2, Milano 3, Milano 4, Monza Brianza 1, Napoli 4, Palermo 2, Perugia 1, Pescara, Rieti, Rovigo, Savona 1, Savona 2, Siracusa, Terni, Verbano-Cusio-Ossola.

In accordance with the resolution issued by the AGCM and notified to Italgas, on 6 June 2025 the Issuer published an invitation, as subsequently amended, to express interest for the transfer of activities related to gas distribution for a total amount of around 620,000 redelivery points.

The consideration (equity value) of the transaction at closing – for 99.94% of the equity - is €2.0719 billion, based on the so-called locked-box mechanism[31]. 2i Rete Gas' net financial debt (excluding ex IFRS 16 impacts) as at 31 December 2024 is equal to €3.2 billion.

Italgas has met part of its financial needs through a "bridge" financing initially underwritten by J.P. Morgan and syndicated to a pool of lending banks including Banco BPM, BofA Securities, Citi, J.P. Morgan, Morgan Stanley, and Société Générale. This has also be refinanced through a rights issue amounting to €1,02 billion, approved by the Italgas Shareholders' Meeting in its extraordinary session on 10 April 2025 successfully completed on 24 June 2025.

With the closing, the integration of 2i Rete Gas into Italgas Group officially begins, in line with the Italgas Strategic Plan. The initial phase will focus on corporate and IT systems integration to quickly achieve the first synergies. In parallel, a large-scale digitization program of networks and processes will start, together with the implementation of artificial intelligence initiatives aimed at improving performances and service quality.

On 9 April 2025 the extraordinary shareholders' meeting of 2i Rete Gas resolved to approve the proposal to consolidate the shares of 2i Rete Gas at a ratio of one new share for every 220,000 shares with a nominal value of €0.01. New shares have no nominal value and, taking into account the necessary mathematical rounding of the operation, the new shares are equal to 1,652. The share consolidation is aimed at reducing administrative and management costs for the company, as well as facilitating post-acquisition Group reorganization operations. The share consolidation became effective on 16 April 2025.

On 23 June 2025, the extraordinary shareholders' meeting of 2i Servizi Energetici S.r.l. resolved to change its company name to Servizi Energetici IG S.r.l. with effective date starting from 1 July 2025.

On 24 June 2025, the extraordinary shareholders' meeting of 2i Rete Dati S.r.l. resolved to change its company name to Rete Dati IG S.r.l. with effective date starting from 1 July 2025.

On 1 July 2025, the merger by incorporation of 2i Rete Gas into Italgas Reti was completed and became effective.

Business Overview

The core business of Italgas is focused on gas distribution, which it carries out as part of the wider national system, involving the distribution of gas on behalf of sales companies authorised to sell the gas to end customers.

In addition to the delivery service, carried out using the local pipeline networks from the city-gates (reduction and metering stations interconnected with the transmission networks), the company carries out metering activities, which include the collection, processing, validation and provision of consumption data in order to regulate commercial transactions between operators and users.

As of the date of this Base Prospectus, the operational activities of the gas distribution business are managed by the following subsidiaries:

[31] Equal to the price offered for the 100% of the equity of €2.060 billion, reduced by the payment to shareholders occurred from 1.1.2024 until the closing, and increased by the interests matured over the same time horizon.

- Italgas Reti and 2i Rete Gas operating nationwide
- Toscana Energia operating in the Tuscany region
- Medea operating in Sardinia
- Enaon, through its subsidiary Enaon EDA operating in Greece.

In Italy, Italgas is subject to regulation by the Italian Regulatory Authority for Energy, Networks and Environment (also referred to as the Authority or ARERA), which defines both how to conduct the service and the tariffs for distribution and metering. The gas distribution business is carried out under concession. A similar regulatory activity is carried out in Greece by the public body appointed for this purpose (RAEWW).

The Issuer owns minority shareholdings or 50:50 equal shareholdings in companies that operate directly or through their own subsidiaries' gas distribution concessions as set out in the table below. These companies are not consolidated by the Issuer.

Company	**Shares held by the Issuer**
Umbria Distribuzione Gas	45%
Metano S. Angelo Lodigiano	50%
Gesam Reti	42.96%
Reti Distribuzione	15%

In particular: (i) the remaining share capital of Umbria Distribuzione Gas is owned by ASM Terni S.p.A. (40%) and Acea S.p.A. (**Acea**) (15%); (ii) the remaining share capital of Metano S. Angelo Lodigiano is owned by the Municipality of S. Angelo Lodigiano; (iii) the remaining share capital of Gesam Reti is owned by Lucca Holding S.p.A (56.71%) and the Municipality of Capannori (0.33%); and (iv) the remaining share capital of Reti Distribuzione is owned by AEG (85%).The Italgas Group also operates:

- in the management under concession of the integrated water service of 5 municipalities in Campania through Nepta and of 38 municipalities in ATO 4-Lazio Meridionale through the associate Acqualatina, in the collection, storage, purification and adduction service in the Region of Sicily through the associate Siciliacque, in the collection, purification, adduction and transportation of drinking water in the Region of Campania through Acqua Campania;
- in the energy efficiency services sector through Geoside, its ESCo (Energy Service Company) specialised in energy consulting and the supply of energy services to both the private residential and industrial sector and the public administration sector;
- in Information Technology activities, through Bludigit., a company in which all the Italgas Group's IT activities have been concentrated, offering proprietary digital solutions, making the skills and digital solutions developed in-house available to other operators both in the energy sector and in other sectors.

Business Activities of Italgas

Gas Distribution Concessions in Italy

The gas distribution business of the Issuer in Italy is dependent on concessions awarded by Italian local authorities after a public tender process.

Each concession is governed by agreements with the relevant grantor requiring the relevant concession holder to comply with its obligations. Each concession holder is subject to penalties or sanctions for the non-performance or default under the relevant concession. Failure by a concession holder to fulfil its material obligations under a concession could, if such failure is left unremedied, lead to early termination by the grantor of the concession.

On the basis of the new legislation introduced through four Ministerial Decrees issued in 2011, and which are now in force for all public tender offers launched after June 2011, the public tender process for gas distribution concessions is no longer managed by individual municipalities (*Comuni*) (previously numbering approximately 7,000) but by a reduced number (177) of "multi-municipality areas" (**ATEM**) which were identified by Ministerial Decrees dated 19 January 2011 and 18 October 2011.

MD 226 (also defined as the **Tender Criteria Decree**) – currently under revision by the Ministry for Environment and Energy Security introducing additional points for innovation investments to enable and push renewable gas diffusion and achieve energy transition goals to 2050 – prescribes the criteria to which each tender process must conform, while Ministerial Decree of 4 May 2011, adopted in conjunction with the Ministry of Work and Social Policy (*Ministero del Lavoro e delle Politiche Sociali*), is aimed at protecting employment levels subsequent to the awarding of new gas distribution concessions.

With regard to gas distribution concessions, Article 14, paragraph 8 of Decree 164/2000 establishes that the new operator is obliged, *inter alia*, to pay a sum to the outgoing distributor equal to the Reimbursement Value for the plants whose ownership is transferred from the outgoing distributor to the new operator, determined according to the provisions contained in the concessions and the current regulations. As a result of this discipline, there may be cases where the Reimbursement Value may be lower or higher than the value of the RAB (Regulatory Asset Base) which is the underlying assumption for the development of the Strategic Plan.

The RAB of the Italgas Group in the Italian Gas distribution sector with reference to the investments made until 31 December 2024 was approximately €9.2 billion[32], as the sum of the Local RAB of approximately €8.9 billion and the Centralised RAB of approximately €0.3 billion.

The Reimbursement Value of the total portfolio of the concessions of the Italgas Group, net of free assignments, is based on the method provided for by Article 5 of MD 226, as amended, and by the guidelines, making an exception for concessions that, based on the aforementioned regulation, provide for specific contractual stipulations regarding the calculation of the Reimbursement Value (Roma Capitale, City of Venice and other smaller municipalities).

See the sections headed "*Regulatory and Legislative Framework" – "Principal Legislation regarding regulation of the Issuer*" and "*Regulatory and Legislative Framework" – "Regulatory – Tariffs*" below.

As of 31 March 2025, in Italy, the Italgas Group manages the service in 1,897 municipalities under concessions, of which 1,494 have expired.

As at the date of this Base Prospectus, there is no significant data regarding participation by the Issuer and its consolidated subsidiaries in tenders for distribution concessions or historical success rate in terms of winning distribution concessions because the new tender concession regime has been in place for only a short period. Italgas Reti will evaluate, on a case by case basis, whether to participate in future tenders for gas distribution concessions taking into account, among other things, the economic and other conditions described in the relevant tender bid.

[32] RAB refers to the last RAB defined for regulatory purposes related to the investments made until 31 December 2024, within the definition of the reference tariffs and related to the companies included in the scope of consolidation (*i.e.* Italgas Reti, Medea, Toscana Energia).

It should be noted, however, that issues surrounding the expiry date of concessions affect not only the Issuer and its subsidiaries but all operators in the Italian gas distribution sector since the matter is regulated by provisions of law. In addition, as natural gas distribution has been qualified as a public service by the Letta Decree, when a concession expires, Italgas Reti and its relevant subsidiaries will continue to provide (and be remunerated for) the service under the terms of the expired concession until a new concession has been awarded. It should also be noted that, as described above, where an operator is not awarded a concession it currently operates, the same is entitled to receive a compensation amount or indemnification payment. See also the section headed "*Regulatory and Legislative Framework*" below.

Gas Distribution Concessions in Greece

The expiration and renewal of the gas distribution concession in the Hellenic Republic (Greece) are governed by the Greek Energy Law, which was partially modified (i.e. articles 2, 80Γ and 88) by the Greek law 4812/2021, issued on 30 June 2021. According to the amendment, the term of the licence is set at least twenty years and can be extended to an additional thirty years upon expiry of the original licence following the application of the licence holder.

The extension application must be submitted by the manager one year before the deadline, which is currently scheduled for 2043. The renewal takes place through an "act with declaratory effect" issued by the Greek Energy Authority. The lack of specific conditions according to which this act is approved generates a risk of uncertainty, even if with Law 4951-2022 (Art. 134) there is the introduction of a reimbursement value equal to the value of the RAB at the end of the licence plus a premium of 15%.

Failure to renew the concession could have significant negative effects on the operations of the Enaon group and limited impacts on the economic, equity and financial situation thanks to the definition of the redemption value.

Water service sector

The Italgas Group operates its water service sector through Nepta and its subsidiaries.

Nepta serves directly five municipalities in the province of Caserta, Italy: Caserta, Galluccio, Baia and Latina, Roccaromana and Casaluce. Even though the concessions that enable the management of water distribution services in such provinces have expired over the course of 2020 and 2021, such services are automatically extended and remain ongoing under the prorogatio regime, until the management is assigned to a new operator.

Nepta also indirectly holds 49% of the share capital of Acqualatina, which manages the water distribution service in ATO 4-Southern Lazio, which includes 38 municipalities.

In addition, the Italgas Group operates the collection, storage, purification and adduction of water in the Sicily region of Italy through Siciliacque, of which Italgas indirectly holds approximately 75% of the share capital.

Finally, Italgas Group, through Acqua Campania, manages the concession of the water service in the Western Campania region of Italy (covering the provinces of Naples and Caserta), carrying out the activities of collection, purification, adduction and transportation of drinking water for water distribution companies.

All public services for the collection, adduction and distribution of water for civil use, sewerage and wastewater purification, including adduction collection services and purification services, which are part of the integrated water service, are regulated by the ARERA. The regulation and control of water services include the determination and updating of tariffs, as well as the preparation of rules to guarantee the conditions of efficiency and quality of the services provided and the protection of the interests of users and consumers, with the Governing Body of the Optimal Territorial Area (*Enti di Governo dell'ambito* (**EGA**)) submitting tariff proposals to the ARERA. The ARERA, in turn, approves the data and documents prepared by the managing body. See the section headed " *Regulatory – Water Tariffs – Italy"* below.

Key Operating Figures

The table below provides some key operating figures for the Italgas Group and its affiliates (Italy and Greece).

	31 December 2024	**31 March 2025**	**Abs. change**	**% Change**
Active meters (millions)	8.020	8.019	(0.001)	-
Municipalities with gas distribution concessions (no.)	2,099	2,103	4	0.2
Municipalities with gas distribution concessions in operation (no.)	2,024	2,024	-	-
Distribution network (kilometres)	83,811	83,968	157	0,2
Gas distributed (million cubic metres)	8,188	3,647	(4,541)	-

Employees

As at 31 December 2024, the Italgas Group had 3,700 employees. The tables below show the number of personnel employed in each contractual position and the number employed by each company, together with a comparison against the previous year:

Personnel in service by position (number)	**Dec 2023**	**Dec 2024**	**Change**
Executives	68	70	2
Managers	312	327	15
Office workers	2,120	2,142	22
Manual workers	1,182	1,161	-21
	3,682	**3,700**	**18**

Personnel in service by Company (number)	**Dec 2023**	**Dec 2024**	**Change**
Italgas.	450	442	-8
Italgas Reti	2,580	2,527	-53
Nepta	29	31	2
Bludigit	102	109	7
Medea	71	71	0
Geoside	83	78	-5
Toscana Energia	364	355	-9
Italgas Newco	3	2	-1
Acqua Campania	0	85	85
	3,682	**3,700**	**18**

As at 31 December 2024, Enaon and its subsidiary Enaon EDA had 639 direct employees. The tables below show the number of personnel employed in each contractual position and the number employed by each company

Personnel in service by position (number)	**Dec 2023**	**Dec 2024**	**Change**
Executives	10	15	5
Managers	98	111	13
Office workers	358	344	-14
Manual workers	149	169	20
	615	**639**	**24**

Personnel in service by Company (number)	**Dec 2023**	**Dec 2024**	**Change**
ENAON	157	147	-10
ENAON EDA	458	492	34
	615	**639**	**24**

Health, Safety, Environment and Quality

Italgas Reti was the first Italian company in the gas distribution sector to obtain recognition in the form of the "Integrated Quality, Environment and Safety Certification" in 2001 from the Det Norske Veritas (**DNV**) international certification organisation, and this was also extended to energy management in 2012. Since then, every year the Certification Organisation verifies compliance of the company's operations with international standards UNI EN ISO 9001, UNI EN ISO 14001, UNI ISO 45001 and UNI CEI EN ISO 50001 in order to maintain such certification. The commitment to areas such as the environment, health, safety and energy management, which are aimed at providing quality and customer satisfaction, are embodied in the adoption of the "Health, Safety, Environment, Quality and Energy Policy".

Research and Development

In keeping with industry regulations in Europe (Energy Efficiency Directive) and Italy (ARERA regulations on responsibility for metering and in the area of implementing smart metering), Italgas Reti was one of the first distributors in Italy to provide its meters with advanced technologies and in 2009 launched the project "Remote meter reading at gas redelivery points". During the experimentation phase, application products and technological market solutions were closely evaluated. The new AMM-MDM (Automatic Meter Management and Meter Data Management) information systems, equipped with all functions to manage the reading system for remote meter reading and traditional meters, were released in August 2013 for industrial and commercial users and implemented in April 2016 for all other users (over 6 million). With regard to the development of remote meter reading, Italgas Reti implemented the Work Force Management system, making it possible to manage installation, configuration, activation and maintenance of remotely read meters by equipping operational staff with a single tool (tablets).

In 2019 Italgas Reti started an experimentation on smart meters using NB-IoT communication protocol (5G) in order to improve communications efficiency and quantity from smart meters to central data management systems. Nowadays, NB-IoT is the standard that Italgas has adopted for the technical specifications of its smart meters. By the end of 2024, 28% of installed smart meters will be using the NB-IoT communication protocol, which will result in an increased remote reading performance of 98.8%, compared to 93% for meters using the GPRS communication protocol.

Italgas Reti developed its own smart meter, called "NIMBUS", to leverage its experience in smart metering and enhance communication performance, battery performance and introduce additional safety sensors such as seismic or fire alarms, with a strong focus on the environmental impact of waste management at the end of the smart meter life cycle.

Italgas' Debt Structure

As of 31 March 2025, the debt of the Italgas Group is composed by approximately 77.6% fixed rate debt and 22.4% floating rate credit lines.

As of 31 March 2025, the Company's debt structure is composed of bonds with the following characteristics: (i) a nominal amount equal to €750 million issued on 19 January 2017, maturing on 19 January 2027 and having a fixed rate annual coupon equal to 1.625%; (ii) a nominal amount equal to €750 million issued on 18 September 2017 and reopened on 30 January 2018, maturing on 18 January 2029 and having a fixed rate annual coupon equal to 1.625%; (iii) a nominal amount equal to €600 million issued on 24 July 2019, maturing on 24 April 2030 and having a fixed rate annual coupon equal to 0.875%; (iv) a nominal amount equal to €500 million issued on 11 December 2019, maturing on 11 December 2031 and having a fixed rate annual coupon equal to 1%; (v) a nominal amount equal to €500 million issued on 24 June 2020, maturing on 24 June 2025 and having a fixed rate annual coupon equal to 0.250%; (vi) a nominal amount equal to €500 million issued on 16 February 2021, maturing on 16 February 2028 and having a fixed rate annual coupon equal to 0%; (vii) a nominal amount equal to €500 million issued on 16 February 2021, maturing on 16 February 2033 and having a fixed rate annual coupon equal to 0.50%; (viii) a nominal amount equal to €500 million issued on 8 June 2023, maturing on 8 June 2032 and having a fixed rate annual coupon equal to 4.125%,; (ix) a nominal amount equal to €1,000 million issued on 8 February 2024 and reopened on 24 September 2024, maturing on 8 February 2029 and having a fixed rate annual coupon equal to 3.125%; (x) a nominal amount equal to €500 million issued on 6 March 2025, maturing on 6 March 2030 and having a fixed rate annual coupon equal to 2.875%; and (xi) a nominal amount equal to €500 million issued on 6 March 2025, maturing on 6 March 2034 and having a fixed rate annual coupon equal to 3.500%.

On 31 March 2025, Italgas can also rely on seven European Investment Bank (**EIB**) loans for a total amount of €854.1 million, intended for specific investment projects involving natural gas distribution. On 24 July 2019, Italgas signed an Interest Rate Swap (IRS) contract to hedge a floating rate EIB loan (6M Euribor) for a ten-year duration totalling an initial €300 million in relation to the loan denominated "Italgas Smart Metering".

Furthermore, in October 2024, Italgas signed a €125 million floating-rate ESG bank loan with a 3-year maturity. In March 2024, Italgas signed a €600 million ESG-linked revolving credit facility with a pool of Italian and international banks with a maximum maturity of 5 years. In May 2025, Italgas signed two floating-rate ESG bank loans, each for €300 million and with a 3-year maturity. Moreover, in June 2025 Italgas signed a floating-rate ESG bank loan, for €300 million, with a maturity of 3 years.

In October 2024, in relation to the acquisition of 2i Rete Gas, Italgas signed a "bridge" financing with a pool of international banks. On 31 March 2025, the bridge financing has been utilised for €1000 million. On 20 June 2025 the "bridge" financing has been entirely repaid.

As regards future financial strategy, Italgas's objective is to establish a financial structure (in terms of debt to RAB ratio, between short- and medium-to-long-term debt, fixed-rate and variable-rate debt, and bank credit granted and bank credit used) which, in line with the business objectives and the regulatory context in which Italgas shall operate, would guarantee access to the banking and bond market and ensure an adequate level of liquidity while minimising the relative opportunity cost and maintaining balance in terms of the duration and composition of the debt.

Enterprise Risk Management

The Enterprise Risk Management (the **ERM**) unit reports directly to the Chief Financial Officer and oversees the integrated process of managing corporate risk for all Group companies.

The main objectives of the ERM are to define, implement, maintain and evolve a risk assessment system that allows risks to be identified, using standardised, group-wide policies, measured in terms of likelihood and impact, according to group risk scoring scales, and prioritised, to provide consolidated measures to mitigate these risks, and to draw up adequate reporting. The ERM system adopted by the Italgas Group is based on existing international best practices (COSO Framework and ISO 31000).

The ERM unit operates as part of the wider Internal Control and Risk Management System of Italgas.

The ERM system enables dynamic and integrated group-wide risk assessment that brings out the best of the management systems in individual corporate processes. Group-wide risk assessment is performed on an annual basis, while single risk information, evaluation and treatment activities are updated periodically (from semi-annual to quarterly frequency, based on risk severity).

The findings, in terms of the main risks and the plans devised to manage them, are presented to the Control and Risk and Related-Party Transactions Committee and to the Board of Statutory Auditors so that an assessment can be carried out on the effectiveness of the Internal Control and Risk Management System with regard to Italgas' specific characteristics and the risk profile it has taken on.

In addition, the ERM unit applies a specific methodology for the identification and quantification of the main risks and opportunities related to the Italgas Strategic Plan. The approach enables to assess the resilience of the Italgas Strategic Plan to context changes and to estimate the overall degree of variability of the Plan's financial targets generated by the potential occurrence of risk events. Outcomes of the analysis are part of the Italgas Strategic Plan (section "risk analysis") approved by the Board of Directors.

Material Litigation

The Issuer is currently party to a number of civil, administrative, criminal and tax claims and legal actions that have arisen in the ordinary course of its business. Applicable accounting principles identify two different types of legal proceedings which have different ways to set aside provisions.

According to the procedure known as "Financial Report" ("*Bilancio*") (Annex I), the relevant legal proceedings are those in which counterparties and/or third party claims are equal to or in excess of €150,000 and/or may produce material adverse effects on the Issuer's image and/or reputation (the **Relevant Proceedings**). As a consequence, legal proceedings that do not comply with such requirements are considered not relevant (the **Non-Relevant Proceedings**).

The accounting provision is calculated by aggregating the values of the liabilities that may arise in the event of a negative outcome of a Relevant Proceeding. It is usually carried out when the unfavourable outcome of the relative proceeding has a probability of occurrence greater than 50% and the burden's amount can be estimated reliably. Instead, as regards the Non-Relevant Proceedings, the accounting provision is calculated as indicated below: a) for Proceedings with a *petitum* determined less than €25,000, the amount of the *petitum*; b) for Proceedings with an undetermined amount, a lump sum of €25,000 per case; and c) for Proceedings with *petitum* exceeding €25,000 and less than €150,000, an amount flat rate of €25,000 per case.

As at 31 March 2025, in relation to the Issuer, the risks provision for legal disputes was made for a total amount of €7.6 million. In making such provision, the Board of Directors has taken into account the potential risks relating to each claim and the applicable accounting standards on probable and quantifiable risks. The most relevant claims and proceedings are summarised below, together with an indication of the total amount claimed, if known. See the section headed "*Risk Factors" - "Risks associated with legal proceedings and disputes*".

Criminal Proceedings

Italgas Reti S.p.A. – Ravanusa Event – Court of Agrigento

The public prosecutor's office at the Court of Agrigento has launched an investigation into an explosion that occurred in the town of Ravanusa on 11 December 2021. The incident caused the death of nine victims as well as the collapse or damage of several buildings. On 31 December 2021, the public prosecutor's office at the Court of Agrigento notified the beginning of the investigation to ten employees of Italgas Reti, in order to proceed with certain technical investigations that could not take place during the trial.
These technical investigations revealed that a steel pipeline laid in 1988 by Siciliana Gas (a company that was merged into Società Italiana per il gas S.p.A. in 2008, which later became Italgas Reti on 7 November 2016) broke. In addition, further laboratory tests were carried out on the odorization of the gas and soil samples taken near the site of the event in the days following the explosion, which confirmed the presence of the odorizing molecule.

On 16 May 2023, the public prosecutor's office requested to close the proceedings against all Italgas Reti suspects, while it issued notice of conclusion of the preliminary investigations pursuant to Article 415 bis of the Code of Criminal Procedure against a former employee of Siciliana Gas and the company that had laid the pipeline. That individual did not transfer to Italgas Reti in connection with the aforementioned merger. Furthermore, Italgas Reti is not a party to the proceedings in question pursuant to the Legislative Decree No. 231 of 8 June 2001.

Following the objection to the request for closing submitted by the injured parties, hearings were held before the preliminary investigations judge on 17 October 2023, 5 December 2023, 27 February 2024, 30 April 2024 and 31 May 2024.

Following such hearings, the preliminary investigations judge ordered further investigations, aimed in particular at further analyzing the testing and maintenance activities of the network, giving the public prosecutor's office a deadline of six months to complete such additional investigations. Following further investigations, the public prosecutor's office filed a new request for dismissal. The hearing for the examination of the request for dismissal has been set for 30 September 2025.

On 31 May 2024, the preliminary investigations judge also ordered the indictment of the representatives of Siciliana Gas and the construction company.

Italgas Reti has appeared in the proceeding as a *responsabile civile* (i.e. a party with vicarious civil liability for the actions of the representative of Siciliana Gas) in connection with the claim opened with the relevant insurance companies for the orderly management of claims within the scope of the applicable third-party liability policy. Additionally, as of the date of this Base Prospectus, a claim for damages, in an amount not yet specified by the requesting party, is pending in the proceeding. At the first hearing, set for 12 December 2024, the defense counsel acting for representative of Siciliana Gas made a request for an abbreviated procedure subject to the completion of an expert report, on which the judge reserved the right to decide, postponing the hearing to 6 February 2025. The hearing was subsequently adjourned to, and held on 20 February 2025, where the judge rejected the request and set the schedule for the forthcoming hearings at: 12 June and 10 July 2025.

Other Proceedings

Municipality of Venice / Italgas Reti: Venice Court

On 24 April 2019, the Municipality of Venice served a summons at the Court of Venice, aimed at the ascertainment and consequent payment by Italgas Reti a fee for the use of a portion of the gas distribution network forming the subject of free devolution for the period between 1 June 2010 and 31 December 2018 as well as the amounts due for the same reason from 31 December 2018 up to the final judgment.

Italgas Reti challenged such request for payment and requested its rejection on the basis that: a) the municipality received the network free of charge, and therefore without any financial outlay to be remunerated; b) there is no regulatory basis for allowing the determination of the fee for the use of the network to be linked to the tariffs defined by ARERA; c) the fee for the use of the assets of the so-called Block A was included in the fee agreed with a subsequent additional deed. Italgas Reti requested, in alternative: a) the redetermination of the “appropriate” fee that Italgas Reti should have paid to the Municipality in the period between 1 January 2013 and 31 December 2018, since, as a result of the Letta Decree, the concession expired by law on 31 December 2012; b) an order imposing on the Municipality to repay the amount paid by Italgas Reti in the period between 1 January 2013 and 31 December 2018 but not due to the Municipality (as the difference between the fee paid and the sum of the fees due), comprising both the concession fee and that relating to the use of Block A, as redetermined by the judge.

On 26 April 2021, the judge ordered Italgas Reti to produce relevant documentation and consequently scheduled a hearing for 31 May 2022 for the examination of such documentation. On 31 May 2022, the Municipality requested that Italgas Reti be ordered to supplement the documentation produced. Italgas Reti challenged the request and requested that the judge set a hearing for closing arguments or, alternatively, to set a deadline for counterclaims. Following the hearing, the judge requested further additional documentation for a hearing to be held on 17 January 2023. On that date, the Municipality insisted on the admission of a court-appointed technical expert, while Italgas Reti requested that the judge set a hearing for closing arguments.

The judge decided to request the opinion of a court-appointed technical expert. The next hearing, for the examination of the court-appointed technical expert opinion, which was filed by the technical expert on 6 June 2025, has been set for 10 July 2025.

Publiservizi S.p.A. / Italgas S.p.A.: Florence Court

On 25 July 2019, the Issuer was served with a writ of summons by Publiservizi S.p.A. (**Publiservizi**), on its own behalf and as representative of municipalities that are shareholders in Toscana Energia, alleging a violation of a shareholders’ agreement entered into on 28 June 2018 between Italgas and Publiservizi and requesting that Italgas be ordered to purchase 3% of the share capital of Toscana Energia or to, in any case, perform its obligations under the aforementioned shareholders’ agreement and, in alternative, to pay Publiservizi an amount as compensation for damages for non-performance or, alternatively, for unjust enrichment.

On 30 April 2021, the judge scheduled the hearing for closing arguments for 13 September 2023. By judgment issued on 11 June 2024, the Court of Florence fully rejected the requests in Publiservizi’s writ of summons. On 13 January 2025, Publiservizi (now Alia Servizi Ambientali) filed an appeal before the Court of Appeal of Florence against such order. The next hearing is scheduled for 12 September 2025.

Italgas Reti / Municipality of Rome: Rome Court

The Municipality of Rome, where Italgas Reti carries out the gas distribution service on the basis of a concession contract, following a series of discussions aimed at reaching an agreement for the rescheduling of the implementation of the business plan under such contract, alleged that Italgas Reti had breached its contract due to alleged delays in the execution of the plan itself and filed a notice with the Regional Administrative Court (*Tribunale Amministrativo Regionale* (**TAR**)) of Lazio for the application of contractual non-compliance penalties. Italgas Reti, in rejecting the allegations of the Municipality of Rome, appealed to the Lazio TAR on 11 January 2019 for cancellation of such notice. Subsequently, on 19 December 2019, the Municipality of Rome notified Italgas Reti of a managerial decision whereby it quantified the alleged amount due by Italgas Reti and reserved the right to enforce the bank guarantee that had been issued to guarantee the correct execution of the contract at issue. On 20 January 2020, Italgas Reti challenged the aforementioned managerial decision before the Lazio TAR, submitting an appeal for the suspension of the effect of the penalty measure, stating, *inter alia*, (i) nullity of the penalty clause due to indeterminacy; (ii) non-existence and/or in any event non-imputability to Italgas Reti of the non-fulfilment alleged by the Municipality; (iii) waiver by the Municipality of the timely application of the penalty clause; (iv) violation of the procedure for the application of the penalty clause.

As the Lazio TAR expressed several doubts on whether it has jurisdiction over the case, an appeal was filed before the Court of Cassation for a preliminary decision on jurisdiction.

At the hearing held on 22 April 2020, with order no. 4140/2020, the Lazio TAR took note of the proposed preliminary decision on jurisdiction, suspended the proceedings and, deeming not to have jurisdiction, declared the appeal to be inadmissible. On 13 May 2020, Italgas Reti appealed against this order before the Council of State, which upheld the appeal filed by Italgas Reti, temporarily suspending the effect of the order issued.

On 12 January 2021, the Court of Cassation declared that the ordinary court had jurisdiction over the case. Therefore, on 11 February 2021, Italgas Reti resumed the proceedings before the Civil Court of Rome.

In addition, on 5 June 2020, Italgas Reti filed an appeal with the Lazio TAR requesting that the Municipality of Rome be ordered to pay compensation to Italgas Reti deriving from the Municipality of Rome's breach of the concession contract. Subsequently, in line with the previous judgment, the TAR reaffirmed the jurisdiction of the ordinary court and Italgas Reti resumed the proceedings before the Civil Court of Rome, requesting that such proceeding be joined to the proceeding concerning the penalties imposed by the Municipality of Rome. The preliminary hearing for both judgments, which had been joined, was set for 11 July 2023. Following the hearing, the judge ordered a court-appointed technical expert opinion to be prepared over the course of 2024. At a hearing held on 11 December 2024, the judge invited the parties to reach a settlement of the dispute, postponing the hearing - in the absence of a settlement agreement - to 18 February 2025 for clarification of the conclusions. Following that hearing, held on 19 February 2025, the judge granted adjournment to 1 July 2025. At that hearing held on 1 July 2025 the parties jointly requested the postponement. The judge granted the postponement and the next hearing will be on 3 December 2025.

On 17 November 2021, Italgas Reti obtained an order from the Civil Court of Rome by which the effects of the measure quantifying penalties were suspended and the Municipality of Rome was prohibited from enforcing the bank guarantee.

Italgas Reti / Municipality Cavallino-Treporti

Following the ruling of the Council of State on the acquisition, free of charge, of certain assets, the Municipality of Cavallino-Treporti initiated civil proceedings before the Court of Venice in order to recover the amounts it considered due for the use by Italgas Reti of the assets. The first hearing, scheduled for 17 December 2020, was adjourned to 1 April 2021 and, finally, to 22 April 2021, for the admission of evidence in support of the respective defenses. The final hearing was scheduled for 13 January 2022. With a judgment dated 27 June 2022, the Court of Venice rejected the case filed by the Municipality of Cavallino-Treporti.

The Municipality of Cavallino-Treporti appealed before the Court of Appeal of Venice. With judgment of 22 April 2024, the Court of Appeal of Venice, while raising several doubts over its jurisdiction, rejected the appeal of the Municipality of Cavallino-Treporti.

The Municipality of Cavallino-Treporti then appealed to the Court of Cassation against the judgment of the Court of Appeal of Venice. As of today, the scheduling of the hearing is pending.

Italgas Reti / 2i Reti Gas / Municipality of Naples

Italgas Reti served two summonses on the Municipality of Naples and 2i Rete Gas before the Court of Naples requesting payment of the higher amount as the reimbursement value to be paid by the incoming operator to the outgoing operator.

The first judgment concerns the challenge made against the provisional reimbursement value updated to 30 June 2022. This judgment is currently suspended as the Municipality of Naples has filed an appeal for a decision of jurisdiction, raising doubts over the jurisdiction of the ordinary judge in favour of that of the administrative court. The Combined Sections of the Court of Cassation, with an order dated 31 December 2024, affirmed the jurisdiction of the ordinary judge, rejecting the appeal brought by the Municipality of Naples.

The second judgment concerns the challenge made against the final reimbursement value updated to 30 November 2022. On 13 June 2024, the judge adjourned the hearing to 20 February 2025. On 20 February 2025, the judge granted an adjournment to 16 September 2025.

ARERA Proceedings

A number of preliminary investigations (*istruttorie*) are currently being carried out by the ARERA with respect to different matters involving the Issuer Group's business activity.

With Executive Resolution 4/2020/gas of 24 February 2020, the ARERA started a proceeding against Italgas Reti regarding the emergency call centre. According to ARERA, Italgas Reti would not have been fully compliant with the safety and security standards prescribed by regulation. Italgas Reti replied to these allegations arguing that none of the rules had been infringed and that Italgas Reti guarantees high security standards on a daily basis. Nevertheless, with Resolution 74/2021/S/gas of 2 March 2021, Italgas Reti was ordered to pay a fine of €500,000. On this judgment a suit was filed which is currently pending before the TAR Lombardia (Milan). The first hearing has not been scheduled yet.

With Executive Resolution 34/2019/gas of 8 August 2019, the ARERA started a proceeding against Italgas Reti with the aim of verifying the correctness of certain internal procedures with the security standards set forth by ARERA. Italgas Reti argued that none of the procedures in force within the organisation clash with the regulation and that any dated reference to past regulations, if any, does not affect security standards. Nevertheless, with Resolution 266/2020/S/gas of 14 July 2020, Italgas Reti was ordered to pay a fine of €531,200.

With Resolution 323/2017/S/gas of 12 May 2017, the ARERA started an investigation against Italgas Reti regarding the conduct of the personnel of the emergency call centre. Italgas Reti argued that the instructions given by the operators were fully compliant with the safety and security obligations prescribed by the regulation. Nevertheless, with the 328/2019/S/GAS Resolution (30 July 2019), Italgas Reti was ordered to pay a fine of €469,000.00. By judgment n. 2441/2021 dated 5 November 2021, TAR Lombardia (Milan) rejected ARERA's conclusion and ARERA appealed the judgment before Consiglio di Stato. The Consiglio di Stato, by judgment n. 2927/2022 partially confirmed the TAR judgment regarding the fine but rejected the TAR judgment concerning awards for safety and security obligations. Consequently, on 9 September 2022, ARERA correctly returned to Italgas the amount of the fine (€469,000).

Meanwhile Italgas Reti has begun a new suit ("*giudizio di ottemperanza*") to have a part of the TAR judgment concerning awards for safety and security obligations deserved by Italgas Reti enforced. Following the Consiglio di Stato judgment n. 2927/2022, Italgas Reti waived the suit.

Resolution 33/2012/S/GAS - The ARERA has launched infringement proceedings against Italgas Reti, disputing, specifically, the failure by the Company to comply, with regard to the Venice network distribution, with the obligation to recondition or replace, by 31 December 2010, at least 50% of the hemp- and lead-sealed joints in operation as at 31 December 2003, as set out in Article 12(7) letter b) of the Regulation of the Quality of Gas Distribution and Metering Services (Annex RGDQ to the Resolution ARG/gas 120/08 for years 2009-2012). At the end of the proceedings, by Resolution n. 197/2017/S/gas Italgas Reti was ordered to pay the amount of €204,000.00. Italgas Reti filed a suit against the above-mentioned ARERA Resolution before the TAR Lombardia (Milan) which invalidated the resolution n.197/2017/S/gas and consequently ordered ARERA to refund Italgas Reti the entire amount of the fine. Later, after the TAR Lombardia judgment, ARERA refunded the amount of the fine (€204,000). ARERA appealed the judgment before the Consiglio di Stato that rejected ARERA's appeal by judgment n. 3584 dated 9 May 2022.

With Executive Resolution 13/2018/efr of 7 February 2018, the ARERA started a proceeding against Italgas Reti regarding alleged violation on Energy efficiency mechanism in 2016. Despite the detailed argumentation of Italgas Reti presented in a specific memorandum, with Resolution 415/2019/S/efr of 23 October 2019, ARERA ordered Italgas Reti to pay a fine of €1,614,000. On this judgment a suit was filed before the TAR Lombardia (Milan). By decision n. 1412/2024, delivered on 13 May 2024, TAR Lombardia rejected ARERA's conclusion and annulled the fine set out in the Resolution 415/2019/S/efr.

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) judgment no. 2538/2019), the confirmation of €250 unitary tariff cap (abolished by the same judgment), the inclusion of the prices of bilateral transactions in the calculation of the tariff contribution, and 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) judgment no. 2538/2019 were examined. On 18 February 2021, TAR Lombardia (Milan) stated, without entering into the merits of the suit filed by Italgas Reti, that ARERA Resolution 270/2020/R/efr was not in contradiction with a previous judgment (TAR Lombardia n. 2358/2019) concerning "Energy Efficiency Certificates" (**EECs**); this latter established that the Ministerial Decree of 10 May 2018, in the part in which this latter quantified at €250 per EEC the maximum amount which could be reimbursed through tariffs for the purchase of the same EEC, exceeded the powers granted by law to ARERA to set tariffs. Italgas Reti has appealed such ruling; the Consiglio di Stato confirmed TAR Lombardia judgment of February 2021.

On 29 July 2024, TAR Lombardia partially accepted the claim filed by Italgas Reti, mainly against ARERA Resolution no. 270/2020/R/efr. In particular, Italgas' claim was accepted limited to the profile concerning the identification of the value of the minimum price of the so-called virtual EEC in the amount of €10 (as it is inextricably linked to the previous determination of a cap by ministerial decree, already deemed illegitimate by TAR with the aforementioned judgment no. 2538/2019). As a consequence of the partial invalidation of the challenged resolution, ARERA has to redetermine the maximum value of the EECs to be recognised to DSOs.

With resolution no. 453/2024/C/efr, published on 8 November 2024, the ARERA has announced its intention to appeal against judgement of 29 July 2024, no. 2326, with which the TAR Lombardia partially accepted the claim filed by Italgas Reti against Resolution 270/2020/R/efr, containing the revision of the tariff contribution to be paid to distributors within the EECs purchasing mechanism.

As a consequence, both ARERA and Italgas Reti appealed TAR judgment. With judgement published on 4 July 2025, the Council of State accepted Arera's appeal and rejected Italgas's appeal.

Resolution 413/2021/R/Gas

On 6 December 2021, Italgas Reti challenged before TAR Lombardia the Resolution 413/2021/R/Gas, concerning the recognition of the operative costs for the natural gas metering service, related to remote metering of gas smart meters (telelettura e telegestione) for the year 2019 because ARERA failed to fully recognise the costs borne by Italgas Reti for the service concerned.

After that, Italgas challenged before the same TAR Lombardia, with additional reasons (*motivi aggiunti*), the Resolution 114/2022 that stated "the initiation of the procedure for the redetermination of the recognition of costs for the natural gas metering service, relating to remote reading […] and to concentrators, for the years 2011 - 2016", indicating 31 October 2022 as deadline for completing its own verifications (with Resolution 162/2023/R/gas ARERA has set a new deadline – 30 September 2023 – for the conclusion of the proceeding initiated with resolution of the Authority 114/2022/R/gas).

Finally, Italgas lodged an appeal on additional grounds against Resolution 207/2024 and the tables contained therein concerning "Redetermination of the allocation of costs for natural gas metering services related to remote reading/telemanagement systems and concentrators for the years 2011-2016, in respect of the company Italgas Reti S.p.A.", arguing that the aforementioned Resolution unlawfully revoked and/or self-defeated the previous provisions. On 3 July 2025 the TAR did not accept the appeals of Italgas (against Resolution 413/2021 and 207/2024).

Italgas also challenged ARERA's silence regarding Italgas request (dated 28 December 2020) which concerned the recognition of additional operating costs related to remote metering for the year 2019 and for the years 2017 and 2018. On 26 July 2022, the TAR Lombardia upheld the appeal of Italgas Reti, and consequently ordered ARERA to adopt its final Resolution by 24 October 2022. ARERA, on 17 October 2022, appealed the aforementioned judgment. On 19 May 2023, ARERA's appeal was rejected.

Resolution 269/2022/R/Gas

On 22 September 2022, Italgas Reti challenged before the TAR Lombardia the Resolution 269/2022/R/Gas related to the "*Review of the regulation of the metering service […] in the natural gas sector*" ("*metering performance*"). Italgas contested the combined provisions of the resolution related to the requested metering performances, the system of indemnities ("*indennizzi*") for final customers and traders, and the covering cost mechanism for the gas distributor. On 24 April 2023 Italgas Reti challenged before the same TAR Lombardia with additional reasons ("*motivi aggiunti*") the Resolution 60/2023 and on 5 October 2023 Italgas Reti challenged before the same TAR Lombardia with additional reasons ("*motivi aggiunti*") also ARERA's communication by 6 July 2023. Meanwhile, further additional reasons ("*motivi aggiunti*") have been filed on following ARERA's communications. The first hearing has been scheduled for 12 February 2025. By decision delivered on 17 February 2025, TAR Lombardia rejected Italgas Reti's appeal and Italgas Reti challenged the decision before the Consiglio di Stato. And the next hearing has not been scheduled yet.

Resolution 386/2022/R/Gas

On 30 October 2022, Italgas Reti challenged before the TAR Lombardia the Resolution 386/2022/R/Gas related to "*Introduction of an accountability mechanism for distribution companies in the management of the delta in-out*". Italgas challenged certain provisions of the delta in-out system, intended to hold distribution companies accountable for the difference between the quantities of gas injected at the exit points of the transport network (city gates) and the quantities withdrawn by end customers connected to the distribution network. On 29 December 2023 Italgas Reti challenged before the same TAR Lombardia with additional reasons ("*motivi aggiunti*") the Resolution 494/2023/R/gas. Meanwhile, further additional reasons have been filed also against Resolution 303/2024/R/gas and Resolution 28/2025/R/GAS. The next hearing has been scheduled for 17 September 2025.

Resolution 490/2024/R/gas

On 23 December 2024, Italgas Reti challenged before the TAR Lombardia the Resolution 490/2024/R/gas, regarding "*Second determination of bonuses and penalties related to safety recoveries of the natural gas distribution service, for the year 2020*". In particular, Italgas contested the annulment of the safety bonuses for its plants in relation to the year 2020. By decision delivered on 16 June 2025, TAR Lombardia rejected Italgas Reti's appeal.

Principal Shareholders

As at the date of this Base Prospectus, the Issuer's fully subscribed and paid-up share capital is €1,256,122,060.44, divided into 1,014,692,391 ordinary shares with no par value. Since 7 November 2016, the Issuer's shares have been listed on the MTA (*mercato telematico azionario*) division of the Borsa Italiana. As at the date of this Base Prospectus, based on information in the Issuer's shareholders' register, communications received pursuant to CONSOB Regulation No. 11971/1999 (as amended) and other information available to the Issuer, as far as the Issuer is aware, the shareholders owning in excess of 3% of the Issuer's ordinary shares are as follows: (i) CDP, with an overall amount of shares of 379,127,274, representing 37.364% stake of the ordinary share capital composed by 1,014,692,391 ordinary shares, held through CDP Reti and Snam and (ii) Lazard Asset Management with an overall amount of shares of 93,790,043, representing a stake of 9.24% of the ordinary share capital composed by 1,014,692,391 ordinary shares. The remaining (free float) share capital is held by other shareholders.

As at the date of this Base Prospectus, based on information in the Issuer's shareholders' register, communications received pursuant to CONSOB Regulation No. 11971/1999 (as amended) and other information available to the Issuer, as far as the Issuer is aware, the shareholders owning interests in excess of 3% of the Issuer's ordinary shares are as follows:

Declarant	**Direct shareholder**	**Ordinary shares (unit)**	**Proportion of ordinary share capital (%)**
CDP	CDP Reti	263,423,030	25.96
	Snam	115,704,244	11.40
Lazard LLC	Lazard LCC	93,790,043	9.24

Snam S.p.A. and CDP Reti S.p.A. shareholders' agreement

As of the date of this Base Prospectus, Snam and CDP Reti are parties to a Shareholders' Agreement signed on 20 October 2016 relating to the equity investments that they hold in Italgas (the **Shareholders' Agreement**), with effect starting on the effective date of the partial and proportional demerger from Snam in favour of Italgas and the simultaneous listing of the Italgas shares, namely 7 November 2016. The Shareholders' Agreement governs, *inter alia*: (i) the exercise of voting rights attached to the syndicated shares, (ii) the establishment of a consultation committee, (iii) the obligations and procedures for submitting a joint slate for the appointment of members of the Italgas Board of Directors, and (iv) certain restrictions on the sale and purchase of Italgas shares. The Shareholders' Agreement has a term of three years and is renewable. Given such provision, the Shareholders' Agreement was automatically renewed for further three-year periods, on 7 November 2019 and on 7 November 2022. On 21 March 2023, Snam e CDP Reti executed an amendment agreement in respect of the Shareholders' Agreement.

On 14 April 2025, Snam and CDP Reti entered into a second amendment agreement to the Shareholders' Agreement.

On 1 August 2019 CDP S.p.A. (**CDP**), given the stake indirectly held by it in Italgas, through CDP Reti and Snam, and also in light of the provisions of the Shareholders' Agreement, and also to implement the control guidance contained in Consob Decision no. 0106341 of 13 September 2017, re-qualified its shareholding relationship in Italgas as de facto control pursuant to Article 2359, subsection 1, no. 2 of the Italian Civil Code and Article 93 of the Consolidated Law on Finance. There are no shareholders exercising the direction and coordination activities referred to in Articles 2497 et seq. of the Italian Civil Code over Italgas.

For further information please refer to the dedicated section of the Issuer's website at: https://www.italgas.it/en/investors/share-and-shareholding/shareholders-agreements/.

CDP S.p.A., State Grid Europe Limited and State Grid International Development Limited shareholders' agreement

On 27 November 2014, CDP, on the one hand, and State Grid Europe Limited (**SGEL**) and State Grid International Development Limited (**SGID**), on the other, entered into a shareholders' agreement (the **SGEL Shareholders' Agreement**) in the context of the sales contract concluded between the same parties on 31 July 2014 in accordance with which on 27 November 2014 SGEL acquired from CDP a stake equal to 35% of the share capital of CDP Reti.

In conjunction with the effectiveness of the partial and proportional demerger from Snam in favour of Italgas and the simultaneous listing of the Italgas shares on 7 November 2016, SGEL, SGID and CDP have amended and supplemented the SGEL Shareholders' Agreement, effective on the same date, extending its application to the stake held by CDP Reti in Italgas.

For further information please refer to the dedicated section of the Issuer's website at: https://www.italgas.it/en/investors/share-and-shareholding/shareholders-agreements/.

Brief description of the main shareholders

CDP S.p.A. and CDP Reti S.p.A.

As of 31 December 2024, CDP Reti holds 25.977% of the Issuer's share capital.

CDP Reti is a joint stock company (*società per azioni*) incorporated under the laws of the Republic of Italy and is 35% owned by State Grid Europe Limited, 5.9% owned by Italian institutional investors and 59.1% owned by CDP.

CDP is a joint stock company (*società per azioni*) controlled by the Italian Ministry of the Economy and Finance (the Italian Ministry of the Economy and Finance holds 80.1% of the corporate capital of CDP, a broad group of bank foundations holds 18.4% of the corporate capital of CDP and the remaining shares, equal to 1.5%, are represented by own shares held by CDP). CDP's mission is to foster the development of public investment, local utility infrastructure works and major public works of national interest.

Snam S.p.A.

As of 31 December 2024, Snam holds 13.465% of the share capital of the Issuer.

Snam, through its operating subsidiaries, is the leading operator in the regulated gas sector in Italy and one of the main regulated operators in Europe in terms of regulatory asset base (**RAB**). Snam's main business areas (namely transportation and dispatching, storage, and liquefied natural gas (**LNG**) regasification) are all regulated activities in Italy under the authority of the ARERA.

Measures in place to ensure major shareholder control is not abused

The Issuer has adopted a procedure for transactions with related parties issued in compliance with the provisions of the Article 2391-*bis* of Italian Civil Code and CONSOB Resolution No. 17221/2010; such procedure establishes the principles and rules to which the Issuer and its subsidiaries must adhere in order to ensure transparency and substantial and procedural fairness of related party transactions.

Management, Statutory Auditors and Committees

Corporate Governance of the Issuer

The Issuer adopts the traditional system of administration and control comprising of:

- a **Board of Directors** (*consiglio di amministrazione*) responsible for the management of the Issuer;

- a **Board of Statutory Auditors** (*collegio sindacale*), responsible for compliance with the law and with the By-laws, as well as observance of the principles of correct administration in the conduct of the Issuer's activities and to ensure the adequacy of the Issuer's organisational structure, the internal control system and the administrative/accounting system; and

- the **Shareholders' Meeting** (*assemblea dei soci*), in both ordinary and extraordinary sessions, which has the power to resolve on, among other things: (i) appointment and dismissal of the members of the Board of Directors and the Board of Statutory Auditors, as well as their respective compensation and responsibilities; (ii) approval of the financial statements and allocation of earnings; (iii) purchase and disposal of the Issuer's own shares (*azioni proprie*); (iv) amendment of the By-laws; and (v) issues of convertible bonds.

Independent Auditors were appointed by the Shareholders' Meeting following a proposal from the Board of Statutory Auditors.

The Issuer's corporate governance system complies with the Code of Corporate Governance of Listed Companies (**Corporate Governance Code**) as issued by the corporate governance committee of the Borsa Italiana (the **Corporate Governance Committee**) on 31 January 2020 and applicable to companies with shares listed on Euronext Milan 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 the Board of Directors of the Issuer adhered to the Corporate Governance Code and has applied its recommendations from 1 January 2021.

Code of Ethics, Principles of the Internal Control, and Enterprise Risk Management system and the management system for the prevention of and fight against corruption

The Issuer has adopted and is committed to promoting and maintaining an adequate internal control and risk management system, which is a set of all of the tools necessary or useful in order to direct, manage and monitor business activities with the objective of: (i) ensuring compliance with laws and company procedures; (ii) protecting corporate assets; (iii) managing activities in the best and most efficient manner; and (iv) providing accurate and complete accounting and financial data.

The Issuer has also adopted a code of ethics (the **Code of Ethics**). The Code of Ethics defines a shared system of values and expresses the business ethics culture of the Issuer, as well as inspiring strategic thinking and guidance of business activities. The Code of Ethics defines the guiding principles that serve as the basis for the entire internal control and risk management system, including: (i) the segregation of duties among the entities assigned to the processes of authorisation, execution or control; (ii) the existence of corporate determinations capable of providing the general standards of reference to govern corporate activities and processes; (iii) the existence of formal rules for the exercise of signatory powers and internal powers of authorisation; and (iv) traceability (ensured through the adoption of information systems capable of identifying and reconstructing the sources, the information and the controls carried out to support the formation and implementation of the decisions of the Issuer and the methods of financial resource management).

In this context, as well as for the purpose of implementing the provisions of the Corporate Governance Code, the Issuer has adopted an Enterprise Risk Management system (**ERM**) composed of rules, procedures and organisational structures, for identifying, measuring, managing and monitoring the main risks that could affect the achievement of its strategic objectives. The Issuer, through the ERM system, will adopt uniform and structured methods identifying, evaluating, managing and controlling risks in line with existing reference models and best practice.

During October 2024, the audit for the renewal of the certification pursuant to the standard UNI ISO 37001:2016, for the management system for the prevention of and fight against corruption ("Anticorruption System") of Italgas, Italgas Reti, Nepta, Medea, Toscana Energia, Bludigit, Geoside and Metano Sant'Angelo Lodigiano, carried out by the certification entity named "DNV_GL", has been completed.

During September 2024, the certification entity named "DNV_GL" issued the attestation of the whistleblowing management system, in accordance with ISO 37002:2021 ("Whistleblowing Management Systems - Guidelines"), of Italgas, Italgas Reti, Nepta, Medea, Toscana Energia, Bludigit, Geoside and Metano Sant'Angelo Lodigiano.

During December 2024, the same certification entity issued the certification of compliance of Italgas's corporate compliance system with the requirements of ISO 37301:2021 "*Compliance management systems - Requirements with guidance for use*".

Board of Directors

The Board of Directors has responsibility for the management of Italgas and is vested with full powers for management and, in particular, may take all actions it deems necessary for the implementation and achievement of any corporate purpose, excluding only acts that the law or the By-laws reserve for Shareholders' Meetings.

At the meeting on 13 May 2025, the Board of Directors of the Issuer resolved to reserve several powers for its exclusive area of responsibility, pursuant to Article 2381 of the Civil Code, as well as those powers which cannot legally be delegated and those required by the Corporate Governance Code. The Board of Directors also resolved to assign certain powers to the Chairperson, Paolo Ciocca. Mr. Paolo Gallo, first appointed as Chief Executive Officer of the Company in 2016, was confirmed the grant by the Board, effective from 13 May 2025, of full management powers except for the powers reserved to the Board of Directors or the Chairperson, and except as otherwise provided under applicable law and in the by-laws.

The Board of Directors can at any time give directives to the CEO and recall transactions coming under its jurisdiction, in the same way as it can, at any time, revoke the powers conferred, proceeding, in the case of the revocation of powers conferred on the CEO, at the same time to appoint another CEO. The Board of Directors can also set up committees, deciding upon their powers and the number of members in compliance with the regulations of the committees.

Current Board of Directors Members

Pursuant to Article 13 of the existing by-laws of Italgas, the Board of Directors of Italgas is composed of nine members. The Board of Directors appointed by the ordinary shareholders' meeting of 13 May 2025 will remain in office for three financial years, until the date of the ordinary shareholders' meeting called for the approval of the 2027 financial statements.

The table below sets out the name, office held and date and place of birth for each of the current members of the Issuer's Board of Directors:

Name	Office	Date and place of birth
Paolo Ciocca	Chairperson	Rome, Italy, 1963
Paolo Gallo	Chief Executive Officer	Turin, Italy, 1961
Fabio Barchiesi	Director	Rome, Italy, 1982
Cecilia Andreoli	Director	Carpi, Italy, 1980
Gianmarco Montanari	Director	Novara, Italy, 1972
Costanza Bianchini	Director	Carrara, Italy, 1987
Erika Furlani	Director	Udine, Italy, 1972
Shen Qinjing	Director	Haining, China, 1978
Alessandra Faella	Director	Vico Equense, Italy, 1972

The members of the Board of Directors need to meet the requirements of professionalism, integrity and independence, to the extent and within the terms established by the applicable regulations from time to time and by the by-laws. In this regard, the Board of Directors, on 26 May 2025, on the basis of the declarations provided by the relevant parties, verified that all the Directors possess the integrity requirements set forth under Art. 2 of Italian Ministerial Decree No. 162 of 30 March 2000 as referenced by Art. 148, paragraph 4 of Consolidated Financial Act, as referenced by Art. 147 *quinquies* of the Italian Legislative Decree n. 58 of 24 February 1998 (as amended and integrated from time to time) (**CLF or Consolidated Law on Finance**).

The existence of the independence requirements set forth under Article 147-ter, paragraph 4 and Article 148, paragraph 3 of the Consolidated Financial Act and under Recommendations 6 and 7 of the Corporate Governance Code was ascertained by the Board of Directors on the basis of statements made by the relevant parties, on 26 May 2025 (as per the press release disclosed to the market on the same date) also taking into account the qualitative and quantitative criteria for the assessment of independence approved by the Board of Directors on 16 December 2024.

As a result, the Board of Directors assessed the independence of six non-executive directors, including the Chairperson (*i.e.* Paolo Ciocca, Gianmarco Montanari, Costanza Bianchini, Cecilia Andreoli, Erika Furlani, Alessandra Faella), pursuant to both the Articles 147-ter, subsection 4, and 148, subsection 3, of the Consolidated Law on Finance and Article 2 of the Corporate Governance Code (also in consideration of the qualitative and quantitative criteria approved by the Board of Directors to assess the importance of commercial, financial or professional relationships and additional remuneration).

For the purposes of the above-mentioned positions, each member of the Board of Directors is domiciled at the Issuer's registered office at Via Carlo Bo, 11, Milan, Italy.

Below is a brief *curriculum vitae* of each of the members of the Board of Directors appointed by the Shareholders' Meeting of the Issuer as at 13 May 2025, giving details of their skills and experience gained in business management.

Paolo Ciocca (Chairperson)

Born in Rome, he graduated cum laude in Economics and Commerce and subsequently obtained a PhD in corporate tax law, and the titles of Chartered Accountant and Auditor.

Mr. Ciocca has acquired considerable experience mainly in subjects related to finance, security and new technologies, also holding the role of Lecturer of the courses "Strategic Studies" and "War & Crisis Management"; he is Professor of Practice at the Luiss School of Law.

During his professional career, he held top positions in the Ministry of Economy, first becoming Director of International Relations of the Department of Finance (2002-2005) and then Director General of Finance (2005-2007). He has also held important positions in leading international institutions such as the International Fund Agricultural Development, within which he assumed the role of Secretary of the Fund (head of the diplomatic-institutional relations with the 160 Member States) (2007-2013). He was also Deputy Director-General of the Department of Security Intelligence (DIS) of the Presidency of the Council of Ministers (from 2013 to 2018), in charge of strategic analysis, economic intelligence, training and cybersecurity.

Before becoming Chairman of Open Fiber S.p.A. and Open Fiber Holdings S.p.A. on 17 April 2023, he also held the role of CONSOB Commissioner from 2018 to 2023. During his tenure, he has explored issues such as technological innovation applied to finance, cybersecurity and the supervision of corporate governance and statutory auditors. He also oversaw CONSOB's activity in the field of digital finance and was a member of CEAOB, the European Forum of Statutory Audit Regulators.

He is currently independent director and Chairman of the Nomination and Governance Committee of Banca Generali S.p.A.

Paolo Gallo (CEO and General Manager[33])

Born in Turin, he has been the Chief Executive Officer and General Manager of Italgas since 2016. He has a degree in Aeronautical Engineering from the Polytechnic of Turin. He later gained an MBA from the *Scuola di Amministrazione Aziendale* (SAA - *Università degli Studi di Torino*). From 2014 to 2016 he was CEO of Grandi Stazioni S.p.A., where he finalised the privatisation. Previously (2011 – 2014) he was firstly General Manager and then CEO of Acea one of the leading Italian multi-utility companies, listed on the Milan stock exchange. From 2002 to 2011 he was part of the Edison group, first as Director of Strategy and Innovation and later (2003 - 2011) as General Manager and then CEO of Edipower S.p.A.

He began his career at Fiat Avio S.p.A. in 1988 where he held various positions of responsibility for 13 years. In 1997 he began to get involved in the energy sector developing new initiatives in Italy, India and Brazil and later combined all the electricity generation activities for the Fiat group at Fiat Energia S.p.A. (where he was CEO until 2002), the vehicle through which the Fiat group acquired control of Montedison in July 2001.

Between 1992 and 1994 he was Director of the MBA course at the School of Business Management of the University of Turin, teaching “The economic-financial evaluation of industrial investments" until 2002, and he was the co-author of important publications in the industry. Since 2018 he has been Associate Professor of the Re-engineering Operational Processes (Master Digital Ecosystem) and Energy Management (Master Energy Industry) courses at the Luiss Business School.

Qinjing Shen (Director)

He holds a Bachelor Degree and Master’s Degree in Electrical Power System and its Engineering from Zhejiang University, China.

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[33] On 26 September 2016, the Board of Directors appointed the CEO as General Manager.

Currently, he holds the office of Board member of CDP Reti, Italgas, Terna and State Grid's Chief Representative in Italy. He has held the position of Director of Department of Business Development&Strategy, State Grid International Development, LTD from 2016 to 2021. As Key Contact and Coordinator in CPFL Energy sophisticated transactions of Brazil (Deal size: 9 billion USD, including Controlling Block deal, Mandatory Tender Offers for CPFL Energy minority shareholders, Mandatory Tender Offers for CPFL Renewabie, Re-IPO of CPFL). As Key player for State Grid's other M&A deals (Chilquinta, Chile (2.5 billion USD, 2020) CGE, Chile (3 billion USD, 2021).

SGID set up State Grid Brazil Holding (SGBH), which has engaged in power transmission projects, including Phase II of Belo Monte UHVDC Transmission, the world's longest ±800kV power transmission line. During the construction process, the team established an integrated plan regarding the protection of local animals and vegetation, especially for endangered species. Over 95% animals were rescued and over 25% vegetation were saved from deforestation when the project completed. And the reforestation plan has enabled greater biodiversity in the ecosystem. He has held the position of Deputy Director of Department of Business Development&Strategy, State Grid lnternational Development, LTD from 2013 to 2016, as Project Manager and Key Contact of CDP Reti transaction (€2.2 billion) in 2014. Highly evolved in several Australia M&A transactions at that period for State Grid. He has held the position of Project Manager of Department of Business Development&Strategy, State Grid International Development, LTD from 2008 to 2013. As Project Manager acquired transmission Concessions in Brazil from Spain investors (1 billion USD) in 2010. Participating in the transaction of NGCP of Philippines (2009), REN of Portugal (2011). He has held the position of Dispatching Engineer of Dispatching Communication Center, Zhejiang Electric Power Company (a subsidiary of State Grid Corporation of China) (2003-2008).

From 17 February 2022 he is a member of the board of directors of Snam S.p.A.

Fabio Barchiesi (Director)

He graduated from the Faculty of Medicine and Surgery and obtained a second Master's degree in Economics, followed by an Executive Master in Business Administration at LUISS Business School and an Executive Master in Planning, Strategy and Control at Bocconi University.

He has gained experience in M&A, Capital Investments, Business Development, Organization, Project Compliance and Cost Management. During his professional career, he held the position of Director of Organization and Services at CONI Sport Lab – CONI Servizi (2015-2017), managing the functions of Human Resources and Organization, Administration and Management Control, Business Development, as well as managing relations with external professionals belonging to the various specializations.

From 2017 to 2021 he held the position of General Manager at CONI Sport Lab – Sport and Health.

From 2023 to 2025 he held the position of Director of Development, Governance and Business Equity at CDP Equity, managing strategic projects relevant to equity and supporting the Company in the implementation of the Business Plan; at the same time, from 2022 to 2024 he was also a member of the Board of Directors of CDP Immobiliare SGR; from 2021 to 2025 he held the position of Chief Executive Officer and Head of Implementation of the Plan and Strategic Initiatives of CDP, managing significant strategic projects for both corporate and Group, coordinating equity activities and monitoring the progress of the project sites of the Business Plan.

He currently holds the position of Deputy General Manager of CDP, and Director of the Investments, Human Resources, Transformation and External Relations Department, with the aim of ensuring the pursuit of corporate and Group strategies regarding investments in risk capital and investment funds, carrying out M&A transactions or sales of shareholdings in fund units or other equity investments, and evaluating and coordinating the implementation of the related operations, both nationally and internationally. He also coordinates activities related to the management of the direct and indirect portfolio, the management of institutional relations with national and territorial stakeholders, the management of human resources, the management of internal and external communication and the definition of marketing strategies, as well as the coordination of activities related to environmental sustainability, corporate protection, innovation and information systems, logistical support and document management.

In addition, he currently holds the position of Director of Ansaldo Energia S.p.A. and Chairman of the Advisory Board of Fondo Italiano Tecnologia e Crescita (FITEC).

Cecilia Andreoli (Director)

She graduated in Business Administration from the University of Modena and Reggio Emilia, subsequently deepening the issues related to insolvency procedures and business recovery at the School of Higher Education (SAF) of Emilia Romagna (established by the National Council of Chartered Accountants). She also holds the titles of Chartered Accounts and Statutory Auditor.

During her professional career, she has gained consolidated experience in advising companies on tax matters and defense in tax disputes, in management consulting and business organization, in corporate restructuring and extraordinary finance transactions, also offering advice on business valuations, financial planning and tax bonuses related to construction.

From 2011 to 2013 she was a member of the Equal Opportunities Committee of the Order of Chartered Accountants and Accounting Experts of Modena, actively participating in the work of the Committee, aimed at promoting access to self-employment, entrepreneurial training and professional qualification for self-employed workers, through training and partnership actions in support of professional women.

From 2013 to 2019 she was a Member of the Taxation Study Commission at the Order of Chartered Accountants and Accounting Experts of Modena, deepening the main regulatory innovations in tax matters and developing publications on related issues. From 2020 to 2024 she was also a member of the Commission for Simplification of Tax Compliance of the Union of Young Chartered Accountants. From February 2021 she is also a Member of the Commission for Simplification of Tax Compliance.

She currently holds the position of Statutory Auditor in Prysmian S.p.A., UniCredit Leasing S.p.A., UniCredit Factoring S.p.A., Confindustria Servizi S.p.A., National Consortium for the collection, recovery and recycling of wood packaging – RILEGNO and Chairman of the board of Statutory Auditors in De’ Longhi S.p.A. and Sistemi Formativi Confindustria.

Cecilia Andreoli is the owner of the Studio Andreoli – Accounting Firm.

Costanza Bianchini (Director)

She graduated in Law from the University of Pisa and subsequently qualified as a lawyer.

Over the years, she has acquired in-depth professional experience in the field of corporate management and in the coordination and connection of institutional relations with central and peripheral State administrations, with national and European Parliament Institutions, with local Authorities, with public companies and with different types of stakeholders.

During her professional career she has collaborated with different law firms, gaining consolidated experience at Civil, Criminal and Administrative Law, as well as qualified expertise in tax crimes, crimes against property and person, compensation actions and debt collection.

Since 2024 she holds the position of Private Secretary of the Under-Secretary of State, taking care, for the Under-Secretary of State, the coordination activities related to institutional relations with the offices of the Ministry of Economy and Finance, the Parliament, the institutional partners, the public companies and the private entities, due to the institutional position.

Erika Furlani (Director)

She graduated from the Faculty of Management Engineering of the University of Udine, subsequently obtaining a PhD in Chemical and Energy Technologies; she also obtained the qualification to the profession of engineer.

During her professional career she held the position of Assistant Professor (2006-2023) at the Polytechnic Department of Engineering and Architecture of the University of Udine, focusing her research activity on ceramic materials and hydraulic binders; during the years 2007 and 2008 she also held the position of Tutor for the university courses of Materials Science and Technology of the Faculty of Engineering of the same University.

Co-author of 40 scientific publications in international journals in the field of Materials Science, she has gained extensive experience in the field of particle size measurements on Dynamic Light Scattering and Particle Size Distribution Analizer, optical microscopy, sample preparation for SEM electron microscopy and EDXS microanalysis, in the use of servo pneumatic machines for resistance tests and in the use of hydraulic presses for resistance tests on materials.

From 2019 to 2024 she also held the position of Mayor of the Municipality of Campoformido (UD); starting from 2024 she holds the position of Chairperson of the Interporto di Cervignano del Friuli.

Alessandra Faella (Director)

Alessandra Faella has twenty years of international experience in the energy, industrial and infrastructure sectors, with a strong focus on strategy, corporate governance, business transformation and sustainability.

She holds a double degree with honours in Economics and Innovation and in General Management from Bocconi University and has completed exchange programs at ESADE Business School (Spain) and Chalmers University of Technology (Sweden). She also holds an Executive Master’s in digital Transformation from Politecnico di Milano. She holds corporate governance certifications such as: Board Academy from LUISS and Assogestioni, The Effective Board from NED Community and AIDC, Women on Board from Federmanager and AIDP.

She is Chartered Accountant (qualified in Italy as Dottore Commercialista), and Innovation Manager (certified by the Italian Ministry of Development).

She began her career in marketing and communications, working with L’Oréal and Richemont in Italy and Switzerland. She then joined Accenture as a Digital Consultant, contributing to the digitalization of financial processes for Benetton Japan. In the same year, she moved to Henkel Italy as a Key Account Manager, managing a portfolio of over 100 clients and driving significant growth.

From 2007 to 2011, she was a Senior Consultant at Bain & Company, supporting top management of leading industrial companies in the design of strategic plans and large-scale transformation initiatives.

In 2011, she joined General Electric Oil & Gas, where she held managerial positions in marketing, integration and supply chain, leading global teams across Italy and the United States.

Since 2016, she has continued her career at GE-Baker Hughes, first as Global Sales & Operations Planning Leader and, since 2020, as Global Aftermarket Sales Director for the valves division (Dresser Italia), overseeing worldwide aftermarket sales and strategy development.

From 2020 to 2023, she served as an independent member of the Board of Directors of Terna (the Italian Transmission System Operator), actively contributing to the Control, Risk and Sustainability Committee and the Remuneration Committee.

She is a member of professional associations including the NED Community and Federmanager, and supports volunteer initiatives such as Dynamo Camp and the Houston Food Bank.

Gianmarco Montanari (Director)

He holds a degree in Management Engineering from the Polytechnic of Turin, followed by four further degrees in Management, Economics, Political Science and Law from the University of Turin and the Board Director Diploma, awarded with Distinction (top 3), from the IMD in Lausanne.

He has, over the years, obtained numerous specialisations at leading International Business Schools (i.e. Harvard Business School, IMD, INSEAD, Columbia University, Bocconi) on topics of management, innovation, digitalisation and governance including the International Directors Programme at INSEAD.

He is qualified to practice as an engineer, journalist publicist, financial advisor, F.I.G.C. Sport Management Collaborator, ACOI Coach and OIV Band 3 by the Ministry of Education.

Gianmarco Montanari is currently Director General of MOST Foundation, leader research technology foundation in sustainable mobility.

Previously, he was Director General of the Italian Institute of Technology in Genoa, where he was responsible in particular for the research areas related to Energy, Lifetech, Sustainability, Robotics, Artificial Intelligence and Computational Science, before he was City Manager (General Manager) of the city of Turin after having worked for twenty years in top positions in the Automotive, Financial Services, Management Consulting and Central Public Administration sectors, always managing reorganisation processes and the digital transformation of complex enterprises with modern organisations.
He is and has been advisor to numerous investment funds, multinational companies and ministries.

He is and has been a member of numerous boards of private and public companies, including Gruppo Torinese Trasporti, Agenzia delle Entrate, AGID (Agency for Digital Italy), the University of Turin and the Reale Group. He is and has been a member of OIVs, Independent Evaluation Bodies.

He was first awarded the honour of Commendatore della Repubblica Italiana and then Ufficiale al Merito della Repubblica Italiana.

He is author of the book “Tech Impact. Luci ed ombre dello sviluppo tecnologico”. The lights and shadows of technological development and numerous other publications, as well as an authoritative speaker on topics of innovation, technology and change management. He is the inventor of the IED Intergenerational Environmental Debt.

He is currently a member of the Board of Directors and of the Appointments Committee as well as Chairman of the Compensation Committee of FinecoBank S.p.A. (Italy's third-largest listed bank), as well as Independent Director and Member of the Remuneration Committee of the Tinexta Group, a company listed on the Star segment and a leading European operator in four business areas: Digital Trust, Cyber security, Credit Information & Management and Innovation & Marketing Services.

Significant positions held by the members of the Board of the Directors outside the Issuer's Group

The table below lists the significant positions on board of directors and boards of statutory auditors, as well as other positions, other than those within the Issuer’s Group, held by the members of the Board of the Directors:

Name	Company	Office/Stake held	Status of the office / stakeholding as at the date of this Base Prospectus
Paolo Ciocca	Banca Generali S.p.A.	Director	In office
Paolo Gallo	none	none	none
Qinjing Shen	CDP Reti S.p.A. Snam S.p.A. Terna S.p.A.	Director Director Director	In office In office In office
Fabio Barchiesi	none	none	none
Cecilia Andreoli	UniCredit Factoring S.p.A. UniCredit Leasing S.p.A. Prysmian S.p.A. De'Longhi S.p.A.	Standing Auditor Standing Auditor Standing Auditor Chairman of Statutory Auditor	In office In office In office In office
Costanza Bianchini	none	none	none
Erika Furlani	none	none	none
Alessandra Faella	none	none	none
Gianmarco Montanari	FinecoBank S.p.A. Tinexta S.p.A.	Director Director	In office In office

Board of Directors – Committees

Pursuant to Article 13.8 of the by-laws of Italgas, the Board of Directors can set up internal committees to assign consultation and proactive powers on specific subjects. Specifically, the Board of Directors (i) on 4 August 2016, set up the Control, Risks and Related Party Transactions Committee and the Sustainability Committee, subsequently renamed on 14 December 2022 Sustainable Value Creation Committee, and (ii) on 23 October 2017 set up the Appointments and Compensation Committee, combining the pre-existing Appointments Committee and the Remuneration Committee (collectively the **Committees**). The Board of Directors defined tasks, operating methods and composition criteria of the Committees.

The tasks assigned and operating rules adopted by the above-mentioned committees are envisaged in their Regulations and are summarised below.

Control, Risk and Related-Party Transactions Committee

The Control, Risk and Related Party Transactions Committee, whose current members have been appointed on 27 June 2025 in conformity with the applicable regulations and recommendations of the Corporate Governance Code, is composed of three non-executive directors, whose possess the independence requirements pursuant to CLF and Corporate Governance Code.

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, together with the Officer responsible for the preparation of financial reports and having consulted the Independent Auditors and the Board of Statutory Auditors, the proper use of accounting standards and their consistency for the purpose of preparing the consolidated financial statements;
- assesses the suitability (at least verifying that the preparation process is correct) 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 Sustainable Value Creation Committee;
- it examines the content of periodic non-financial reporting relevant to the internal control and risk management system;
- it examines the periodic reports drawn up 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, and the reports of particular importance drawn up by the Internal Audit Manager;
- may ask the Head of Internal Audit to carry out inspections of specific operational areas, giving notice thereof to the Chairman of the Board of Statutory Auditors, the Chairman of the Board of Directors and the CEO;
- 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 Committee has brought to the attention of the Board of Directors;
- 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 opinions on specific aspects involving the identification of the main risks to the Company;
- it undertakes the additional duties assigned to it by the Board of Directors in relation to transactions in which Directors or Statutory Auditors have an interest and transactions with related parties, in accordance with the terms and methods set out in the procedure on transactions in which Directors and Statutory Auditors are interested parties and transactions with related parties;
- it examines the periodic reports relating to the evaluation of the Internal Control and Risk Management System, as well as those of particular importance prepared by the Internal Audit Manager;
- it monitors the independence, suitability, effectiveness and efficiency of the Internal Audit Department;

- it expresses a binding opinion on the proposals made by the CEO, in agreement with the Chairman, to the Board of Directors regarding the appointment, dismissal and remuneration of the Internal Audit Manager, aimed at ensuring that this individual has the appropriate resources.

The Control, Risk and Related Party Transactions Committee expresses its opinion to the Board of Directors for the purpose of:

- defining the guidelines of the Internal Control and Risk Management System, in line with the Company's strategies, after consulting the Board of Statutory Auditors;
- periodically evaluating, at least annually, the adequacy and effectiveness of the Internal Control and Risk Management System with respect to the characteristics of the Company and the risk profile it has adopted;
- periodically approving, at least once a year, the audit schedule prepared by the Internal Audit Manager;
- 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;
- describing, in the Report the main features of the Internal Control and Risk Management System as well as evaluating the adequacy of the system;
- evaluating the conclusions presented by the Independent Auditors in any suggestion letters and in the additional report for the Board of Statutory Auditors;
- appoint and revoke the members of the Supervisory Body;
- review 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
- ensure the adoption of Model 231 and approval of all adjustments in line with current regulatory provisions.

The Board of Statutory Auditors and the Control, Risk and Related-Party Transactions Committee receive and collect information, at least quarterly, from the control functions (Internal Audit, Risk Management, Compliance) and from the Independent Auditors about checks carried out and any weaknesses or critical areas or anomalies discovered.

The Control and Risk and Related-Party Transactions Committee is composed of the following members:

Name	**Role**
Gianmarco Montanari	Non-executive independent director – Chairman(1)
Costanza Bianchini	Non-executive independent director(1)
Erika Furlani	Non-executive independent director(1)

(1) Director fulfilling the independence requirements set out in articles 147-*ter*, paragraph 4, and 148, paragraph 3 of the CLF and in the Corporate Governance Code.

At the time of appointment, the Board of Directors has verified that at least one member of the Control, Risk and Related-Party Transactions Committee possesses adequate experience in accounting and financial matters or risk management.

Meetings of the Control, Risk and Related Party Transactions Committee are deemed to be valid if at least two members in office are present; the committee makes decisions based on a vote in favour by an absolute majority of the members in attendance. If there is a tie, the Chairman of the Committee has the casting vote.

The Chairman of the Board of Statutory Auditors (or another Statutory Auditor designated thereby) attends the Committee meetings; the other members of the Board of Statutory Auditors may also attend the Committee meetings. At the invitation of the Control, Risk and Related-Party Transactions Committee, the Chairperson of the Board of Directors and the Chief Executive Officer can attend the meetings. The Chairperson of the Committee may also invite the other directors, as well as the representatives of the relevant corporate departments – providing notice thereof to the CEO – and parties outside the Company, to attend individual Committee meetings in order to provide information and express an opinion on relevant agenda items.

Appointments and Compensation Committee

The Appointments and Compensation Committee, according to the applicable regulation, shall be composed of three non-executive directors, all of whom are independent, or, alternatively the majority of whom are independent. In the latter case, the Chairperson is chosen from the independent directors.

The Appointments and Compensation Committee, whose current members have been appointed on 27 June 2025 in conformity with the applicable regulations and recommendations of the Corporate Governance Code, is composed of three non-executive directors, among which two members possess the independence requirements pursuant to CLF and Corporate Governance Code (including the Chairman of the Committee).

The Appointments and Compensation Committee has proposal-making and advisory functions with regard to the Board of Directors, in general on the functions specified by the Corporate Governance Code, and in particular:

Functions of the Appointments and Compensation Committee concerning the appointment of directors:

a. it proposes candidates to the Board of Directors for the position of director to co-opt if one or more directors during the year cease to hold office (Article 2386 of the Italian Civil Code), ensuring compliance with the minimum number of independent directors and quotas for the less represented gender;

b. on the CEO’s proposal, made in agreement with the Chairperson of the Board of Directors, it submits to the Board of Directors the candidates to serve as members of the company bodies: (i) of the direct subsidiaries; (ii) and of the indirect subsidiaries included in the consolidation scope, with an individual turnover equal to or above €30 million (**Direct & Indirect Subsidiaries**). The proposal made by the Committee is necessary;

c. 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 Direct & Indirect Subsidiaries, taking account of the commitment required for the position in the Company or Direct & Indirect Subsidiaries;

d. it develops criteria for assessing the requirements of professionalism and independence of the directors of the Company and Direct & Indirect 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 Direct & Indirect 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;

e. 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;

f. 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 (**Executives with Strategic Responsibilities**) and provides its opinion as to their suitability to the Board of Directors;

g. 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;

h. 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 g) 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;

i. 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 TUF 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 (**Policy**), to be presented at the Shareholders’ Meeting called to approve the financial statements for the year, within the timeframe established by law;

- it assesses the vote cast by the Shareholders' Meeting on the two sections of the report referred to in the point above, in the previous financial year, and provides an opinion thereon to the Board of Directors;

- it prepares proposals regarding the remuneration 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 relating to the remuneration of the board committee members;
- it examines opinions, also on the basis of instructions received from the CEO regarding:
- general criteria for the remuneration of Top Management;
- general guidelines for the remuneration of other managers of the Company and its Direct & Indirect Subsidiaries;
- annual and long-term incentive plans, including share-based plans;
- it expresses opinions – including on the CEO'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 expresses its opinion to the Control, Risk and Related-Party Transactions Committee regarding the remuneration of the Internal Audit Manager;
- it proposes the definition, in relation to Directors with powers: i) of the indemnification to be paid in the event of termination of their employment; ii) of the non-competition agreements;
- it monitors the implementation of the decisions made by the Board; it periodically assesses the adequacy, overall consistency and practical application of the Policy adopted, using, in this regard, the information provided by the CEO, submitting proposals to the Board on the subject;
- it performs any duties that may be required by the procedure concerning related-party transactions carried out by the Company;
- it reports on the exercising of its functions to the Shareholders' Meeting called for the approval of the annual financial statements, through the Chairman of the Committee or another member delegated by the same.

The Appointments and Compensation Committee reports to the Board of Directors on the activities carried out, at least every six months and before the deadline for approval of the financial statements and the half-yearly report, at the Board of Directors meeting indicated by the Chairperson of the Board of Directors; also subsequent to each meeting, it updates the Board of Directors with a communication, at the first possible meeting, regarding any comments, recommendations, or opinions they have formulated.

The composition of the Appointments and Compensation Committee is as follows:

Name	**Role**
Cecilia Andreoli	Non-executive independent director – Chairwoman[1]
Erika Furlani	Non-executive independent director [1]
Fabio Barchiesi	Non-executive director

[1] Director fulfilling the independence requirements set out in articles 147ter, paragraph 4, and 148, paragraph 3 of the CLF, and in the Corporate Governance Code.

At the time of the appointment, the Board of Directors has verified that at least one member of the Appointments and Compensation Committee has sufficient knowledge and experience of financial matters or remuneration policies.

Meetings of the Appointments and Compensation Committee are deemed to be valid if at least two members in office are present; the committee makes decisions based on a vote in favour by an absolute majority of the members in attendance. In the event of a tie, the Chairperson of the Appointments and Compensation Committee has the casting vote.

The Chairperson of the Board of Statutory Auditors or a Standing Auditor designated by the latter attends meetings of the Compensation Committee; the other members of the Board of Statutory Auditors may also attend the Committee meetings; the Chairman of the Committee may also invite the Chairperson of the Board of Directors, the Chief Executive Officer, the other directors, as well as the representatives of the relevant corporate departments – providing notice thereof to the Chief Executive Officer – and parties outside the Company, to attend individual Committee meetings in order to provide information and assessments on relevant agenda items.

Sustainability Value Creation Committee

The Sustainable Value Creation Committee, according to the applicable regulations and recommendations of the Corporate Governance Code, shall be composed of three non-executive directors.

The Sustainable Value Creation Committee, whose current members have been appointed on 27 June 2025 in conformity with the applicable regulations and recommendations of the Corporate Governance Code, is composed of three non-executive directors, among which two members possess the independence requirements pursuant to CLF and Corporate Governance Code (including the Chairman of the Committee).

The Sustainable Value Creation Committee carries out investigation, proposal and consultation functions with regard to the Board of Directors on matters of sustainability as the guidelines, processes, initiatives and activities (a) intended to oversee Italgas' commitment to sustainable development along the value chain, and (b) aimed at pursuing sustainable success, with the support of the Head of the relevant department (Head of the Sustainability department) who liaises with the various corporate departments.

Specifically, the Sustainable Value Creation 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 medium/long-term with regard to the principles of sustainable development;
  - (ii) the sustainability guidelines, objectives and consequent processes, and the sustainability reporting submitted annually to the Board of Directors;
  - (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 Company's guidelines and positioning and with regard to financial markets involving sustainability, with reference also to the placement of the Company on the ethical and/or sustainability indices;

- monitors national and international initiatives with regard to sustainability and the participation of the Company in such initiatives, aimed at consolidating sustainable success and corporate reputation internationally;

- examines any sustainability initiatives in the various 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 the Company; and

- expresses, at the request of the Board of Directors, opinions on other matters regarding sustainability.

The Sustainable Value Creation Committee reports to the Board of Directors:

- at the first meeting of the Board of Director after each of its own meetings, the observations, recommendations and opinions formulated with regard to the matters discussed; and

- at least every six months and before the deadline for approval of the annual and half-year financial report, at the meeting indicated by the Chairman of the Board of Directors.

It should be noted that, on 18 December 2020, the Board of Directors approved the new regulations of the Sustainable Value Creation Committee, which apply as of 1 January 2021, Specifically, the new regulations, in addition to specifying certain aspects concerning the functioning of the committee, assign the tasks and functions updated according to the principles and recommendations of the new Corporate Governance Code, including responsibilities for non-financial reporting. Specifically, pursuant to the new regulations, as amended on 14 December 2022, the Sustainable Value Creation Committee:

- assesses the suitability (at least verifying that the preparation process is correct) 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 Sustainable Value Creation Committee;

- examines the content of periodic non-financial reporting relevant to the internal control and risk management system;

- expresses its opinion, at least once a year and, at least, when the annual financial statements are approved, on the adequacy of the internal control and risk management system, considering the Company's characteristics and assumed risk profile, as well as the effectiveness of the system.

The composition of the Sustainable Value Creation Committee is as follows:

Name	**Role**
Alessandra Faella	Non-executive Independent director – Chairman(1)
Costanza Bianchini	Non-executive Independent director(1)
Qinjing Shen	Non-executive director

[(1)] Director fulfilling the independence requirements set out in articles 147ter, paragraph 4, and 148, paragraph 3 of the CLF, and in the Corporate Governance Code.

Written minutes of the meeting are taken by the Head of the Corporate Affairs Department, who acts as secretary and assists the Chairman in carrying out his duties.

The Chairperson of the Board of Directors, the Chief Executive Officer, the Chairperson of the Board of Statutory Auditors and the Heads of the relevant departments are invited to attend the meetings of the Sustainable Value Creation Committee; other members of the Board of Statutory Auditors may also attend the meetings; the Chairperson of the Committee may also invite other directors to attend individual meetings, as well as other members of the relevant company departments - informing the Chief Executive Officer - or individuals from outside the Company to provide information and express their assessments with reference to the individual items on the agenda.

Board of Statutory Auditors

Under Italian law, the role of the Board of Statutory Auditors is to oversee compliance with the law and with the By-laws, ensure the principles of correct administration are observed, monitor the adequacy of the Issuer's organisational structure for matters within the scope of its authority, the adequacy of its internal control system and of its administrative and accounting system and the reliability of the administrative and accounting system in correctly representing Italgas transactions, check the methods for specific implementation of the rules of corporate governance provided for by the codes of conduct drafted by regulated market management companies or by industry associations, which the Issuer publicly discloses that it upholds, and to review the adequacy of Issuer's instructions to subsidiaries pursuant to applicable law.

Legislative Decree No. 39/2010 provides that the Board of Statutory Auditors also performs supervisory functions in its capacity as "Internal Control and Audit Committee", overseeing in particular:

- the financial reporting process;
- the effectiveness of internal control, internal audit and, if applicable, risk management systems;
- the independent audit of annual financial statements and consolidated financial statements; and
- the independence of the independent auditors or audit company, specifically insofar as the provision of services other than auditing to the entity being audited is concerned.

Current Members of the Board of Statutory Auditors

Pursuant to Article 20 of the existing by-laws of the Issuer, the Board of Statutory Auditors of Italgas is composed of three standing auditors and two alternate auditors.

The Board of Statutory Auditors appointed by the ordinary shareholders' meeting of 13 May 2025 will remain in office for three financial years, until the date of the ordinary shareholders' meeting called for the approval of the 2027 financial statements.

Statutory auditors are chosen from among those who meet the professionalism and integrity requirements indicated in Decree of the Ministry of Justice No. 162 of 30 March 2000. For the purposes of this decree, the issues strictly related to the Issuer's activity are: commercial law, business administration and corporate finance. Likewise, the sector pertaining strictly to the Issuer's business is the engineering and geology sector.

At the date of this Base Prospectus, the Board of Statutory Auditors is composed of the following members:

Name	Role
Giulia Pusterla	Standing Auditor, Chairwoman
Maurizio Di Marcotullio	Standing Auditor
Eliana Quintili	Standing Auditor
Stefano Podda	Alternate Auditor
Maurizio De Filippo	Alternate Auditor

All Statutory Auditors are in possession of (i) the independence requirements provided for by Art. 148, paragraph 3 of the CLF, as well as art. 2 of the Corporate Governance Code and (ii) the requirements of professionalism and integrity required by Decree of the Ministry of Justice no. 162 of 30 March 2000. The assessment regarding, among other things, the existence of the requirements of independence of professionalism and integrity and the absence of causes of ineligibility and incompatibility was carried out by the Board of Statutory Auditors on 23 May 2025.

For the purposes of the above-mentioned positions, each member of the Board of Statutory Auditors is domiciled at the Issuer's registered office at Via Carlo Bo, 11, Milan, Italy.

Below is a brief *curriculum vitae* of each of the members of the Board of Statutory Auditors appointed by the above-mentioned Shareholders' Meeting of 13 May 2025, giving details of their skills and experience gained in business management.

Giulia Pusterla (Chairwoman of the Board of Statutory Auditors).

In 1985 she started her own business, a consulting firm specialized in corporate restructuring and turnaround, insolvency issues, and corporate governance. Together with her team, she also provides my clients with tax and management advisory services. She sits on the Board of Directors and on the Board of Statutory Auditors of various Italian companies, including listed companies such as Risanamento S.p.A., Leonardo S.p.A. and Italgas. Previously, she sat on the Board of Directors of Banco di Desio e della Brianza S.p.A. and she was the Chair of the Board of Statutory Auditors of Tod’s S.p.A., Ratti S.p.A. and Gepafin S.p.A. She collaborate with the local Bankruptcy Court and she has been appointed as “official receiver” in relation to the insolvency procedures of over 100 companies. She acts as Extraordinary Commissioner in the Extraordinary Administration proceedings of Tirrenia di Navigazione S.p.a. in A.S. and Siremar – Sicilia Regionale Marittima S.p.A. in A.S. She is regularly invited as keynote speaker and panel member in conferences and seminars on issues related to insolvency law. She enrolled in the Register of “Revisori Contabili” (Statutory Auditors); qualified as “Dottore Commercialista” and registered in the “Albo dei Dottori Commercialisti di Como”. She graduated in Business Economics and Management at Università Bocconi.

Maurizio Di Marcotullio (Standing Auditor).

Chartered Accountant, member of the Association of Chartered Accountants of Rome and enrolled on the Register of External Auditors.
He has gained significant experience working with leading tax consulting firms.
He practises as a Chartered Accountant in the following areas: national and international tax planning, taxation of extraordinary transactions, business appraisals and valuations, wealth management, taxation of renewable energy, real estate tax.
He is an expert in contract negotiations for M&A transactions and company law. He assists private equity funds in investment transactions.

He is a Statutory Auditor and on the board of directors of joint stock companies, including listed companies.

Eliana Quintili (Standing Auditor).

Graduated in Economics and Commerce from the University of Bologna, she has been a member of the Register of Chartered Accountants and Accounting Experts of Fermo since 1991, the Register of Statutory Auditors since 1995, and the Register of Technical Consultants of the Court of Fermo since the same year. Since 2022, she has served as Vice President of the XBRL Italia Association.

She is currently a member of the National Council of Chartered Accountants and Accounting Experts with responsibility for compliance and organizational models. In the past, she held the position of President of the Regional Union of Chartered Accountants and Accounting Experts of the Marche and of the Territorial Order of Fermo.

She has held positions as Statutory Auditor and Director in numerous public and private companies, including Busitalia Sita Nord S.r.l. (FS Group), Sita Dink S.r.l., and Cassa di Risparmio di Fermo S.p.A. Since 1991, she has been carrying out her professional activity independently, providing advice in business and tax matters, in extraordinary transactions, in court-appointed and party-appointed technical consultancy, as well as in the management of insolvency proceedings. She has also held positions as bankruptcy trustee and coadjutor in certified recovery plans and compositions with creditors.

Stefano Podda (Alternate Auditor).

Graduated in Economics and Commerce from the University of Trieste in 1996, he has been enrolled in the Register of Chartered Accountants and Accounting Experts of the Province of Trieste since 2006 and in the Register of Auditors since 2007. Chartered Accountant with consolidated experience in tax and corporate consultancy, since 2006 he has been working as first independently and then from 2007 within the Studio Associato Podda Scalise Parapat – Chartered Accountants. Previously, he held roles in administrative and accounting: between 2001 and 2005 he was head of the Budget-Tax Liaison Office at a leading insurance company; from 1997 to 2001 he worked in the Administration and Accounting Office of an internationally operating engineering company. During his career he has held numerous positions in control and governance bodies. He was a member of the Board of Statutory Auditors and the Supervisory Board of CDP Equity S.p.A., of the Board of Statutory Auditors of Poste Tributi S.c.p.A. in liquidation, of the Board of Auditors of the Historical Museum and Park of Miramare Castle, and of the Board of Auditors of Aries – Special Agency of the Venezia Giulia Chamber of Commerce. He has also been a member of the Board of Statutory Auditors of Aries S.c.a.r.l., of the Aquileia Foundation and of the Health Services Company No. 1 Triestina. He has held positions for local public bodies, including that of president of the Board of Auditors and auditor of the Municipality of Muggia (TS). He was also liquidator of Agenzia per la Mobilità Territoriale S.p.A.

Maurizio De Filippo (Alternate Auditor).

Graduated in Economics and Commerce from the University "La Sapienza" of Rome, he has been enrolled in the Register of Chartered Accountants and Accounting Experts since 1995 and in the Register of Auditors since 1999. He has over twenty-five years of experience in the fields of corporate consulting, insolvency and corporate governance, with a solid background also in the judicial and institutional fields. Since 2020 he has been Extraordinary Commissioner in the liquidation phase of Preca Brummel S.p.A. in Extraordinary Administration.

During his career he has managed multiple insolvency procedures as Commissioner and Judicial Liquidator at various Italian courts. He has also held positions as Judicial Administrator of assets and companies seized from organized crime, collaborating with the National Agency for Seized Assets. He is currently Chairman of the Board of Directors of Aequa Roma S.p.A., a company owned by Roma

Capitale, and has held positions as standing auditor in major companies such as Aeroporti di Roma S.p.A., GNL Italia S.p.A. (Snam Group), IDS AirNav S.r.l. (ENAV Group) and Enel Green Power Solar Metehara S.p.A. Since 1998 he has been a founding partner of De Filippo Scandurra & Partners, specialized in consultancy in civil, criminal, corporate, banking and insolvency matters.

He has carried out scientific activity as an adjunct professor at the University of Cassino and as a speaker at conferences in the economic-legal field. In the institutional sphere, he was a Councilor of the Order of Chartered Accountants and Accounting Experts of Rome for two terms, participating in working groups and technical commissions. He was also a member of the National Assembly of Delegates of the Pension Fund for Chartered Accountants.

Significant positions held by the members of the Board of the Statutory Auditors outside the Issuer's Group

The table below lists the significant positions on board of directors and boards of statutory auditors, as well as other positions, other than those within the Issuer's Group, held by the members of the Board of the Statutory Auditors:

Name	Company	Office/Stake held	Status of the office / stakeholding as at the date of this Base Prospectus
Giulia Pusterla	Leonardo S.p.A.	Standing Auditor	In office
	Risanamento S.p.A.	Director	In office
	F2I ER1 S.p.A.	Standing Auditor	In office
	Be Cause Sicaf S.p.A.	Chairperson of the Board of Statutory Auditors	In office
Maurizio Di Marcotullio	Philogen S.p.A.	Chairperson of the Board of Statutory Auditors	In office
Eliana Quintili	Cassa di Risparmio di Fermo S.p.A.	Alternate Auditor	In office
Stefano Podda	CDP Equity S.p.A.	Standing Auditor	In office
Maurizio De Filippo	None	None	None

Conflicts of Interest

There are no potential conflicts of interest between any duties towards Italgas of the members of the Board of Directors, members of the Board of Statutory Auditors and Managers with Strategic Responsibilities of Italgas and their private interests and/or other duties.

Managers with Strategic Responsibilities

At the date of this Base Prospectus, Managers with Strategic Responsibilities of Italgas are listed below:

Name	Role
Gianfranco Amoroso	Chief Financial Officer
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 Sustainability
Raffaella Marcuccio	Head of Procurement and Material Management

Bruno Burigana	Chief Executive Officer of Toscana Energia
Pietro Durante	Chief People, Innovation and Transformation
Lorenzo Romeo	Head of Corporate Strategy
Alessandro Menna	Chief Security Officer
Marco Barra Caracciolo di Basciano	Chairman and CEO at Bludigit
Germana Mentil	General Counsel

For the purposes of the above-mentioned positions, all Managers with Strategic Responsibilities are domiciled at the Issuer's registered office at Via Carlo Bo, 11, Milan, Italy.

Below is a brief *curriculum vitae* of each of the Managers with Strategic Responsibilities, giving details of their skills and experience gained in business management.

Gianfranco Amoroso (Chief Financial Officer).

Born in Milan in 1968. Gianfranco Amoroso graduated in 1992 from Bocconi University, is a Chartered Accountant (Register of Milan) and Auditor.
He started working at Mediobanca S.p.A. in 1994 and held various roles, up to taking on the position of Managing Director, with responsibility for the Energy and Utilities sector, maintaining the supervision and responsibility of the execution of the main merger and acquisition operations in the Energy sector in Italy.
In July 2013 he began his professional career at Snam and held the position of Finance Director with full responsibility covering areas of finance banks, debt capital market, group treasury, M&A and Insurance. He supported the Group's international strategy with the start-up of the M&A Finance unit, with direct responsibility for the acquisition of the stake in TAG sold by CDP, and with a direct involvement in all the group's major M&A projects.
From November 2016 he joined Italgas after following the latter's spin-off from Snam and the simultaneous listing on the Stock Exchange and from May 2018 he took over the position of Head of Finance, Planning and Control and M&A, following the execution of the refinancing on the debt capital market of the entire debt to the former parent company Snam, as well as taking care of more than ten M&A operations carried out during the first 24 months. From March 2018 to May 2021, he was Chairman and CEO of Seaside S.r.l., now Geoside a company whose acquisition he personally supervised. In June 2021, he was appointed CFO of Italgas. He followed all the phases of the privatization of the Greek operator DEPA Infrastructure S.A., up to the completion of the acquisition in September 2022. He is also CEO of Italgas Newco and Chairman of Medea. He is Chairman of the Board of Directors of Energie Rete Gas and Director of Toscana Energia and 2i Rete Gas.

Pier Lorenzo Dell'Orco (Chief Executive Officer of Italgas Reti).

He earned in 1994 a Master's Degree in Mechanical Engineering and, in 2024 an Executive Certificate in Management & Leadership from the MIT Sloan School of Management as well as a Professional Certificate in Capital Markets from the New York Institute of Finance. He has been working in the energy sector for 30 years, gaining an extensive technical and commercial experience by taking various C-level roles in major listed and private Italian companies. In 2020 he was appointed as the Chief Executive Officer of Italgas Reti, the largest subsidiary of Italgas, where he is leading the company transformation within the wider context of the digital and technological innovation program undertaken by the Italgas Group. Previously, he worked from 1995 to 2004 as Project Manager at Edison S.p.A., subsequently, until 2007 as Head of the Engineering Department at Edipower S.p.A. In 2008, he joined Sorgenia S.p.A. as Business Development Manager, later as Director of Customer Management, and finally as Director of Sales & Marketing. He joined Italgas in late 2016 as Head of Business Development, contributing to build a pipeline of corporate acquisitions in the gas distribution sector and to promote the development of new businesses. From 2018 to 2020 he was a member of the Board of Directors of various Italgas subsidiaries, such as Geoside and Medea, and sole director of Gaxa. In

2022 he was appointed as Chairman of Italgas Newco, the bidco holding the stakes of Enaon in Greece, and in 2025 as the Chairman of the Board of Director of 2i Rete Gas, in conjunction with the acquisition of the company by Italgas Group. In 2023 he was appointed as Vice President of Proxigas, Associazione Italiana Industriali Gas, and in 2024 as a member of the governing board of Eurogas, the trade association of European gas industry.

Nunziangelo Ferrulli (Head of Institutional Relations and Regulatory Affairs).

Born in Altamura (BA) in 1976, he has been covering the role of Chief Institutional Relations and Regulatory Affairs of Italgas Group since November 2016.
As of today, he is also Chairman of the Board of Directors of Italgas Reti and Enaon and member of the board of Directors of Toscana Energia, Umbria Distribuzione Gas, Cilento Reti Gas S.r.l., Nepta, Acqua Campania and Siciliacque. He was also member of the board of Directors of 2i Rete Gas.
Graduated from the Faculty of Law of "La Sapienza" University in Rome, he holds a master's in management at the London School of Economics. He is also a member of the Faculty of the LUISS Business School where he teaches in the executive course "Public Affairs and Institutional Relations".
He started his professional career at Edison S.p.A. in the Institutional and Regular Affairs Department and then he moved at Acea, covering the role of Head of International Regulation and Executive Assistant to the CEO.
Back in 2014, he served as Corporate Affairs Manager at Philip Morris Italia, dealing with regulatory and institutional aspects in the tobacco sector.
Subsequently, he held the position of Head of Institutional Relations and Regulatory Affairs in Grandi Stazioni S.p.A. (Ferrovie dello Stato Group), managing relations with national institutions and the Transport Regulatory Authority and supporting shareholders in the privatization process of the company.

Chiara Ganz (Head of External Relations and Sustainability).

She gained her Economics degree from University of Bologna. She began her career at the communication and consulting firm Sircana&Partners. In 2001, she joined the Global Relationship Banking Department of Banca IntesaBCI S.p.A., where she collaborated to support the development and advisory team of large projects funded in the finance project. She continued her experience at Poste Italiane S.p.A., working in the Enterprises and Bodies Division - Sales and Marketing Network. In 2003, she joined the External Relations and Communication Department of Leonardo, formerly Finmeccanica, where she handled External Communication and Image and particularly followed the project to design the new Finmeccanica trademark and restyle the group's architecture brand and, in coordination with the different company functions, that of listing Ansaldo STS. In 2009, she was named manager of External Relations and Communication of Thales Alenia Space Italia, a Thales/Leonardo-Finmeccanica joint venture. She was Communication Manager of Telespazio S.p.A. - a Leonardo Finmeccanica/Thales joint venture - from 2013 until 2016, and here she consolidated her experience by supervising all Communication areas and coordinating the activities of the Italian and international group subsidiaries. In addition she is a member of the Board of Directors of Toscana Energia, Gesam Reti and Enaon EDA.

Raffaella Marcuccio (Head of Procurement and Material Management).

She took her degree in Material Engineering from University of Lecce in 1997 after writing an experimental thesis on applications of thermography and ultrasound non-destructive techniques on wind-turbine blade at the University of Nottingham. Following a brief experience at CNR (Italian National Research Council), she started her career in the Fiat group in 1998 as a young engineer in an inter-functional path that led her to hold several roles from Production in the Assembly Line to Services, at the Fiat Auto Contact Centre, arriving at purchasing with the role of Program Manager on a localisation project in Nanjing, China. This was where she began her professional growth in the Fiat

Group Purchasing function, and where she grew as Commodity Manager in the Auto and Powertrain area, afterwards Manager of Purchasing Product Development on Segment B (following the development of the Grande Punto and the Alfa Mito), up to taking over the role of Commodity & Logistic Director at the Fiat Global Purchasing Office of Shanghai for 5 years starting in 2007, seizing purchasing opportunities from Best Cost Countries for the entire Fiat group. In 2012, she moved to Indesit, a leading Italian company in the household appliance sector, again in the Procurement area as Raw Material and Plastic & Metals Components Director. Following Indesit's acquisition in January 2015 by the US company Whirlpool, she was assigned the role of Global Steel and Resins Directors, with the responsibility of purchasing steel and plastic raw materials on a global scale. Joining Italgas in March 2017, she leads Procurement and Material Management team, for the entire Group; by June 2018 she has been also leading Vendor Qualification team. As of September 2022, she became Chairwoman of EDA Thess until 30 September 2023 and, as of July 2023, she has been nominated member in the Board of Directors of Geoside.
On 16 October 2023, she has been appointed member of the Board of Directors of Nepta and, on 2 July 2024, member of the Board of Directors of Italgas Newco. She is also member of STEMBYWOmen and InTheBoardroom by ValoreD, two associations who supports the role of Women as BoardMember and in Technical Disciplines.
She is currently member of the Board of Directors of Toscana Energia, Nepta, Geoside, Italgas Newco and Reti Distribuzione.

Bruno Burigana (Chief Executive Officer of Toscana Energia).

After receiving his degree in Economics and Business from Università Cattolica del Sacro Cuore in Milan, he started his professional career as a managerial and professional training expert at IRI and then, starting from 1992, at ENI. Over the following years, he held positions of increasing responsibility in the human resources department in the group's chemical sector until taking over personnel Management and Development responsibility at Syndial, where he handled problems such as closing plants, mobility and sale of business units. He also held the position of Manager during this period. Personnel, Organisation, Environment Company Quality Systems. At Snam since 2007 in the position of Resources Planning, Managerial Development and Compensation Manager, in 2009 he also oversaw the corporate reorganisation resulting from the integration of Italgas and Stogit. In 2010, he took over the role of Personnel Manager of the Snam group. He was appointed Head of Human Resources & Security of the Snam group in February 2012 where, among other things, he managed the group's reorganisation after leaving ENI. In July 2015, he joined Italgas as Head of Business Services and he held the position of Head of Human Resources & Organization starting from the demerger from Snam until July 2020. He is currently CEO of Toscana Energia and Chairman of the Board of Directors of Umbria Distribuzione Gas.

Pietro Durante (Chief People, Innovation and Transformation).

Born in Gioia del Colle (BA) in 1973, he graduated in Law at the University of Bari. He gained professional experience in major companies of various business sectors, taking on roles of increasing responsibility in Human Resources Management, including internationally. He joined the Rinascente department store in 1997, becoming its Director of Human Resources for the Group, as well as Director of the Department Store Division, in 2003. In the period from 2000 – 2002, he worked at Pirelli Cavi e Sistemi as HR Corporate Manager, helping to reorganise the HQ in Milan and the associated companies in Germany, the UK and Spain. He was HR Manager of the sales force and of the Spare Parts and Services sector at Fiat Auto in 2005. Then, from 2006 to 2011, at Pirelli Tyre, he was HR Manager of the Operations and R&D departments and HR Manager of the Car and Motorsport BU. He worked at Prysmian group from 2011 to 2019: as VP Organizational Development, he completed the integration with the Dutch competitor Draka. He worked in the U.S.A. for around three years as SVP HR Prysmian North America, before working in Berlin as SVP HR Prysmian group in Central Eastern Europe. In the 2017-2018 two-year period, he also supervised the acquisition and merger of General Cable for Prysmian in the United States. He became CHRO of the Atlantia group in 2019. He has been Chief Human Resources Officer at Italgas since September 2020, and then Chief People, Innovation and

Transformation Officer since September 2024. He sat in the Board of Director of 2i Rete Gas and he currently sits in the Board of Directors of Italgas Reti, Italgas Newco and Geoside, as well as Po.Li.Mi School of Management.

Lorenzo Romeo (Head of Corporate Strategy).

Born in Lucca (Tuscany) in 1987, Lorenzo Romeo graduated in Physics from Scuola Normale in Pisa, in 2011.
At the National Enterprise for nanoScience and nanoTechnology (NEST) Lab of Scuola Normale, he obtained a doctorate in Condensed Matter Physics, with a research activity about nanotechnological applications for optoelectronics, collaborating with the University of Montpellier.
In 2015, he began his professional career in McKinsey & Company, leading management consulting firm, where he focused on strategy and large company transformations in multiple sectors (Banking, Transport, Advanced Industries, Infrastructure, Energy). Since 2018 he was Manager, then Associate Partner, in the McKinsey "Global Energy & Materials" Practice.
He has been Chief Corporate Strategy Officer at Italgas since April 2021. He sits in the Board of Directors of Bludigit, Enerpaper, Nepta and Acqua Campania.

Alessandro Menna (Chief Security Officer)

Alessandro Menna is an engineer. He began his career in 2003 as a consultant at EricssonLab, where he studied and researched innovative electronic communication solutions for computer networks. In 2004, he joined Leonardo (Formerly Finmeccanica), a global high-tech leader in the aerospace, defense, and security sectors, in the Strategy division. There, he focused primarily on Special Projects, including mergers and acquisitions, strategic partnerships, and alliances, as well as business development and strategic planning for the companies operating in the electronics sector.
In 2012, he assumed the role of Head of Product Management & Partnerships in Cyber Security & Defense, where he supported the post-merger integration process of five legal entities in Italy and the United Kingdom. His work concentrated on cybersecurity services, consulting, and investigative support systems while leading the Project Office and the Operational Transition Team. In 2013, he advanced to Head of Systems Engineering for Cyber Security & Information Assurance at Leonardo, and two years later, he became Vice President of Sales Technical Support, responsible for engineering, pre-sales and tenders related to Cyber Security and ICT solutions. During these years, he contributed to building cyber protection capabilities for the country's critical infrastructure.
In January 2019, he became Vice President at Capgemini, where he established the Italian branch of the Global Business Line for the French multinational. He managed a portfolio focused on cybersecurity, cloud migration, datacenter transformation, and infrastructure managed services. By January 2020, he was appointed Managing Director of the Italian business. Between 2018 and 2020, he also served as a Member of the Permanent Stakeholders' Group (now the Advisory Group) at the European Network and Information Security Agency (ENISA), advising the Executive Director on the agency's annual work program and operations.
In September 2020, he joined Italgas as Chief Security Officer, responsible for protecting the Group's physical and IT assets and coordinating activities with national and international authorities in accident prevention, response, and fraud management. In July 2021, he was assigned additional responsibilities for the Group's Real Estate sector, along with General Services, defining the current scope of the Group Security Unit. In November 2021, he was appointed Executive with Strategic Responsibilities by the Board of Directors. He is also the Chairman of the Board of Directors of Enaon EDA.
Since 2023, he has been appointed as a Member of the Board at the European Cybersecurity Organization. He currently serves as an advisor to the Executive Director of ENISA, the European Cybersecurity Agency.

Marco Barra Caracciolo di Basciano (Chairman and CEO at Bludigit)

Born in Benevento in 1967, Marco Barra Caracciolo di Basciano graduated in Electronic Engineering from the University of Salerno.

After graduating, he joined the Enel group, at Enel Distribuzione. In 1999, he was appointed Head of the e-Business Unit, the CEO's front line with responsibility for the development of e-business initiatives.
Still in the same group, in 2004, he became Head of the Procurement Processes, Systems & Marketing function on the staff of the Purchasing and Services Director, with tasks of optimisation of purchasing processes, development and dissemination of e-procurement tools, qualification and evaluation of supplier performance for Italy and abroad.
In 2008, he was a member of the Board of Directors of the Enel Factor Company of the Enel group.
In 2009, he became Head of Procurement Services, Market and Communication until 2012, when he assumed the position of IT Manager for the Enel Energia company. In 2014, on an interim basis, he also assumed responsibility for the new Digital Business Directorate, strongly desired by the CEO, to manage the Group's digital transformation and to facilitate the entry into new businesses of the Global Units and the different Countries.
He continues his experience in the Enel group and in 2018 he is appointed CIO Country Italy with responsibility for the definition and execution of the digital transformation of the Country, coordinating internal team of 350 resources in an annual budget of over €200 million.
He joins Italgas in October 2019 in the role of Chief Information Officer, assuming responsibility for the definition and implementation of the Italgas Group IT strategy and the digital transformation programme developed through the Digital Factory structure and the application of the Design Thinking and Agile methodology. Since June 2021, he is Chairman of the Board of Directors and CEO of Bludigit; since September 2022, he also was in the Board of Directors of EDA Thess, until 30 September 2023. He currently is Sole Director of Rete Dati IG S.r.l. (previously 2i Rete Dati S.r.l.).

Germana Mentil (General Counsel)

Germana Mentil holds a degree in Law from the Università Cattolica del Sacro Cuore in Milan. In 1998 she registered with the Bar Association and began working with primary international law firms (Gianni Origoni and Allen&Overy) in the M&A, litigation and contract departments.
In 2002, after specialising in Business Administration at the University of California, Berkeley, she began working as a visiting lawyer with a boutique law firm in San Francisco, supporting international clients in commercial matters and intellectual property rights.
In 2004 she joined the legal Department of Piaggio S.p.A., with responsibility for the listing process and the department of corporate affairs and corporate governance. She took part in Group acquisition projects, in Italy and abroad, handled the main compliance issues for H&S, Privacy and 231/01 regulations and was appointed as director of Piaggio Foundation.
In 2009 she moved to Maire Tecnimont group, as Head of Corporate Affairs and Legal Partner of the Renewable Energies and Infrastructures Business Units as regards to legal, corporate and compliance issues. In that period, she also served as board member for some operating companies of the Infrastructures Business Unit.
In July 2011, she joined Salvatore Ferragamo S.p.A., at that time in the process of being listed. She held the position of Corporate Affairs Director with the mandate to supervise the legal and corporate affairs of all the Group’s companies in over 30 countries. Over the years her responsibility increased to cover the Intellectual Property department too, in-sourcing all the relevant activities and starting an important fight against counterfeits.
In 2016 she was appointed Group General Counsel, leading a team of 12 lawyers in Italy and abroad, and served as director of several subsidiaries in Italy and abroad. In 2018, she also became a member of the Group Ethics Committee. Germana Mentil was appointed as General Counsel of Italgas in September 2022 and is also Director of Geoside, Enaon, Acqua Campania and Gaxa.

Independent Auditors

On 12 May 2020, the Shareholders’ Meeting of the Issuer, *inter alia*: (a) approved the consensual resolution of the statutory audit assignment granted to PricewaterhouseCoopers; and (b) appointed Deloitte & Touche S.p.A. (**Deloitte & Touche**) as independent auditors of the Issuer for the nine-year period from 2020 to 2028.

Deloitte & Touche is a member of ASSIREVI, the Italian association of auditing firms.

Deloitte & Touche is authorised and regulated by the Italian Ministry of Economy and Finance (**MEF**) and registered on the special register of auditing firms held by the MEF.

The registered office of Deloitte & Touche is at Via Santa Sofia 28, Milan, 20122, Italy.

GLOSSARY OF TERMS AND LEGISLATION RELATING TO THE ISSUER

AGCM means Italian Competition and Market Authority.

ARERA means the Italian Regulatory Authority for Energy, Networks and Enviroment (*Autorità di Regolazione, Energia, Reti e Ambiente*).

ARERA 2023 Report means the ARERA's 2023 Annual Report on Services and Activities (*Relazione annuale sullo stato dei servizi -Vol.1 e sull'attività svolta -Vol.2*) dated 9 July 2024.

ATEMs means the minimum geographical areas (*ambiti territoriali minimi*) for conducting tenders and assigning the gas distribution service calculated as 177 pursuant to the definition of Article 1 of the Ministerial Decree of 19 January 2011. The Municipalities belonging to each area are listed in the Ministerial Decree of 18 October 2011.

CDP means Cassa Depositi e Prestiti S.p.A.

CDP RETI means CDP RETI S.p.A.

Centralised RAB means the centralised net invested capital made up of tangible fixed assets other than those included under local tangible fixed assets and intangible fixed assets (in other words non-industrial buildings and property, other tangible fixed assets and intangible fixed assets, such as, for example, remote management and remote control systems, equipment, vehicles, IT systems, furniture and furnishings, software licences).

Corporate Governance Code (*Codice di Autodisciplina*) means the Code of Corporate Governance of listed companies approved by the Committee for Corporate Governance established by, among others, Borsa Italiana S.p.A.

Decree 273/2005 means the Law Decree No. 273 dated 30 December 2005, converted into Law No. 51 dated 23 February 2006 (*Proroga di termini relativi all'esercizio di deleghe legislative*).

Decree 93/2011 means the Legislative Decree No. 93 dated 1 June 2011 (*Mercato interno dell'energia elettrica, del gas naturale*).

Decree 164/2000 means the Legislative Decree No. 164 dated 23 May 2000 (*Attuazione della direttiva n. 98/30/CE recante norme comuni per il mercato interno del gas naturale*).

Decree for Determining Municipalities for each Area means the ministerial decree dated 18 October 2011 (*Determinazione dei Comuni appartenenti a ciascun ambito territoriale del settore della distribuzione del gas naturale*).

Decree protecting employment levels means the ministerial decree dated 21 April 2011 (*Disposizioni per governare gli effetti sociali connessi ai nuovi affidamenti delle concessioni di distribuzione del gas*).

EEC means Energy Efficiency Certificates (*Titoli di Efficienza Energetica*), which are issued by a public body (GSE, *Gestore Servizi Energetici*) in front of energy efficiency investments borne by the gas distribution operator, or purchased by the latter on the market, to be released to the public authorities against specific energy efficiency obligations set annually by the Ministry of Ecologic Transition.

First Gas Directive means the Directive 98/30/EC of the European Parliament and of the Council of 22 June 1998, concerning common rules for the transportation, distribution, supply and storage of natural gas.

Guidelines means the guidelines on criteria and operating procedures for evaluating the reimbursement provided for by the Ministry of Economic Development in connection with a document dated 7 April 2014 and approved with the Ministerial Decree of 22 May 2014.

Italgas Group means, collectively, Italgas and the companies directly or indirectly controlled by it, pursuant to Article 2359 of the Civil Code and Article 93 of Legislative Decree No. 58 of 24 February 1998, as later amended and supplemented (the **TUF**).

Law 481/95 means the Law No. 481 dated 14 November 1995 (*Norme per la concorrenza e la regolazione dei servizi di pubblica utilità. Istituzione delle Autorità di regolazione dei servizi di pubblica utilità*).

Letta Decree means the Legislative Decree No. 164 dated 23 May 2000 (*Norme comuni per il mercato interno del gas naturale*).

Local Net Invested Capital for the distribution service includes the following types of tangible fixed assets: land on which there are industrial facilities, industrial facilities, primary and secondary equipment, street conduits and branch-off equipment (junctions). Local Net Invested Capital relating to the metering service includes the following types of tangible fixed assets: traditional metering units and electronic metering units.

Local RAB means the Local Net Invested Capital relating to the distribution service made up of the following types of tangible fixed assets: land on which there are industrial facilities, industrial facilities, primary and secondary equipment, street conduits and branch-off equipment (junctions). Local Net Invested Capital relating to the metering service is made up of the following types of tangible fixed assets: traditional metering units and electronic metering units.

Local Tender Process means each tender process for the provision of gas distribution services held in each of the 177 minimum geographical areas (ATEM) identified pursuant to Articles 1 and 2 of the Decree of the Ministry of Economic Development of 19 January 2011; and **Local Tender Processes** means all of them.

Marzano Law means the Law No. 239 dated 23 August 2004 (*Riordino del settore energetico, nonché delega al Governo per il riassetto delle disposizioni vigenti in materia di energia*).

MD 226 or **Tender Criteria Decree** means the Ministerial Decree on bid evaluation and auction criteria No. 226 dated 12 November 2011 (*Regolamento per i criteri di gara e per la valutazione dell'offerta per l'affidamento del servizio della distribuzione del gas naturale*).

MISE means Ministry of Economic Development, now Ministry of Enterprises and Made in Italy.

MASE means Ministry of Environment and Energy Security, formerly Ministry for Energy Transition.

Multi-municipality Areas Decree means the ministerial decree dated 19 January 2011 (*Determinazione degli ambiti territoriali nel settore della distribuzione del gas naturale*).

Network Codes means documents that set out, for each type of service, the rules governing the rights and obligations of the parties involved in the process of providing those services, and that establish contractual clauses to reduce the risk of non-compliance by customers, approved through the ARERA at the proposal of the service provider.

NRA means the National Regulatory Authority.

OGMP means UNEP’s Oil & Gas Methane Partnership Initiative.

RAB means the value of net invested capital for regulatory purposes, calculated based on the rules defined by the ARERA in order to determine the benchmark revenues for the regulated businesses (ARERA Resolution 139/2023/R/GAS for the gas transportation business, ARERA Resolution 196/2023/R/gas for the gas regasification business, ARERA Resolution 419/19/R/GAS for the gas storage business, ARERA Resolutions 570/2019/R/GAS and 737/2022/R/GAS for the gas distribution business).

Reimbursement Value means the amount owed to outgoing operators on the termination of the service pursuant to Article 5 of MD 226 in the absence of specific different calculation method forecasts contained in the documents of the individual concessions stipulated before 11 February 2012 (the date when MD 226 came into force).

Second Gas Directive means the Directive 2003/55/EC of the European Parliament and of the Council of 26 June 2003 concerning the internal market of natural gas.

Shipper or **User** means, for the gas transportation business, pursuant to ARERA Resolution 514/2013/R/gas, the Shipper or User is the user of the gas system that acquires the transportation capacity for their own use or to sell it to others.

Third Energy Package means the set of European Regulations and Directives concerning the internal energy market and providing measures aimed at redefining the structure of the industry and promoting the integration of individual national energy markets.

Third Gas Directive means the Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas.

Unbundling Regulation means the rules set out by the Second Gas Directive (72 and 73 of 2009) on unbundling and transparency of accounts and the corporate, functional and organisational unbundling of operators of gas transmission and distribution systems in vertically integrated groups.

UNEP means United Nations Environment Programme.

VIR means "*Valore Industriale Residuo*", *i.e.* the residual industrial value of the part of the plant owned by the outgoing operator, which is equal to the cost that should be incurred for its reconstruction as new reduced by the value of the physical degradation and also including non-current assets under construction from the accounting records (Article 5, paragraph 5 of MD 226).

REGULATORY AND LEGISLATIVE FRAMEWORK

The liberalisation process of the energy market launched in Europe has been phased in over a decade with the adoption of different legislative packages which have gradually been incorporated into the legislation of the EU Member States. The gas industry has been – and still is, with specific reference to the development of renewable gas and hydrogen markets– subject to significant regulation both at European Union and national levels.

Historical Background

The First Gas Directive

Directive 98/30/EC (**First Gas Directive**) defined common rules for the transportation, distribution, supply and storage of natural gas.

The First Gas Directive was implemented in Italy in May 2000 through the Decree 164/2000 (known as the **Letta Decree**) which identifies and defines the sectors making up the natural gas market (import, production, transportation, dispatching, storage, liquefied natural gas (**LNG**) regasification, distribution and sales) and sets out the regulatory principles with regard to liberalisation, unbundling, network access and transparency.

The Letta Decree assigns certain roles and responsibilities to the Ministry of Environment and Energy Security (*Ministero dall'Ambiente e della Sicurezza Energetica*) (**MEES**) **-** formerly the Ministry of Economic Development **-** and the ARERA.

The MEES is responsible for defining strategic guidelines for the gas sector and ensuring its safety and economic development. The ARERA, an independent regulatory body, is responsible for the regulation of the national electricity and natural gas markets. Its responsibilities include the definition of criteria for determining and updating tariffs and for governing access to infrastructure, as well as the provision of services related to the distribution of LNG.

In 2003, Directive 2003/55/EC (**Second Gas Directive**) – the second directive on the internal market for natural gas – was issued repealing the First Gas Directive. In Italy, Law No. 239/2004 ("*Reform of the energy sector and delegation to the Government for the reorganisation of the existing provisions relating to energy*", known as the **Marzano Law**) implemented some of the provisions of the Second Gas Directive.

Third Energy Package

In July 2009, the "Third Energy Package" was approved in the European Union with a view to completing the internal energy market and providing a series of measures aimed at redefining the structure of the industry and promoting the integration of individual national energy markets.

Among other items, with specific regard to unbundling, Directive 2009/73/EC (**Third Gas Directive**), comprised in the Third Energy Package, provides that EU Member States shall implement measures to ensure the "effective separation" of energy networks from the production and supply activities.

The Third Gas Directive was implemented in Italy with Legislative Decree No. 93/2011 on the "*National natural gas and electricity market*" (*Mercato interno dell'energia elettrica e del gas naturale*) (the **Decree 93/2011**), which impacts on all business sectors of the Issuer and, in terms of unbundling, envisages, among other things, that the main Italian gas transportation company shall (i) comply with the ITO (*Independent Transport Operator*) model as well as (ii) be certified by the NRA and, consequently, approved and designated as a Transmission System Operator (**TSO**) by the MED.

FIT455 Package and Methane Emissions Regulation

The European Commission presented on 14 July 2021 a package of 13 legislative proposals under the name of “Fit for 55”, to favour the reduction of CO2 emissions by 55% at 2030, compared to 1990 values. The Package includes among other things, the amendment of the Renewable Energy Directive - definitively approved in October 2023 and entered into force on the 20 November 2023 - and the Energy Efficiency Directive - approved in September2023 and entered into force on 10 October 2023 - the revision of the Emission Trading Scheme and the Energy Taxation Directive and modifications to the deployment of alternative fuel infrastructures and to the Regulation setting emission performances on cars and vans. The European Commission published, at the end of 2021 (15 December 2021), two legislative proposals on revising the Gas Directive and Gas Regulation. The proposals were prepared in the context of the European Green Deal ambition to decarbonise the EU gas sector and, more broadly, achieve climate neutrality by 2050. The acts aim at paving the way for a cost-efficient decarbonisation of the existing gas sector, including how to enable and foster a market for renewable and low carbon hydrogen, making it a key component of the energy sector. On 8 December 2023, the European Institutions reached an agreement. Both the Directive and the Regulation have been published in the Official Journal of the European Union on 15 July 2024. State Members will have until 5 August 2026 to transpose the Directive into national legislation, while the Regulation is self-executing.
Worth mentioning are the unbundling requirements contained in the Directive. Specifically, if part of a vertically integrated enterprise, both the gas DSO and the H2 DSO will be subject to the requirement of legal vertical unbundling. Thus, operators will have to ensure legal, organizational and decision-making independence in carrying out activities other than distribution. Additionally, H2 DSOs will have to comply with accounting unbundling rules. On the other hand, the final text of the Regulation confirms the aggregation of Gas DSOs in the already existing EU DSO Entity, gathering electricity DSOs as well. Moreover, the Directive instructs gas DSOs and H2 DSOs to cooperate closely to ensure system efficiency across energy carriers and long-term sustainability of the infrastructure.

The European Commission published, at the end of 2021 (15 December 2021), a legislative proposal to reduce methane emissions along the whole gas value chain, including the gas distribution activities. In this regulation, the general obligation to make every effort to reduce methane emissions goes hand in hand with the indication to the competent authorities to include the costs related to the implementation of the Regulation in the tariffs structure for regulated activities. The document also establishes that Member States must identify a competent authority to supervise the application of the Regulation and provides indications about specific Measure, Reporting and Verification (MRV) and Leaks Detection And Reduction (LDAR) procedures and obligations. At the time of writing, the definition of the Authority entrusted with the monitoring of the newly approved Regulation has yet to be identified. Moreover, even if Italgas has already adopted the Best Available Technologies (BAT) for tackling methane emissions, as demonstrated by the “Gold Standard” awarded for the fourth year in a row in the context of UNEP’s OGMP 2.0 voluntary initiative for reporting and reducing methane emissions, the organizational and economic implications of this piece of legislation are, as at the date of this Base Prospectus, under assessment.
Within 12 months of the entry into force of the regulation, the Commission will promulgate implementing acts specifying (i) the detection thresholds to be used in LDAR campaigns and (ii) the different inspection techniques to be followed depending on the technology used. In this regard, manufacturers of methane leak detection devices currently used in LDAR surveys of the oil and gas sectors, as well as LDAR service providers and gas/oil sector operators conducting LDAR surveys, have received a questionnaire whose responses will be used for the implementing act proposal. Italgas will have the opportunity to share its observations both at this stage and in the subsequent phases, including the public consultation.

The European Commission published at the end of 2021 (15 December 2021) a legislative proposal for the revision of the Emission Performance of Building Directive to increase the level of efficiency and boost the sustainability of the building sector, considered as one of the most relevant for achieving the envisaged GHG emissions reduction (zero-emission new buildings in 2030 and as of 2027 for public buildings). Relevant measures aim at fostering a higher insulation and favoring the use of more efficient technologies for H&C, both in the public and in the private sector, and to push in the renovation rate of the existing building stock. Strong expectations are for the use of electric heath-pumps fuelled by locally produced renewable electricity as a way to increase buildings heating efficiency, complemented by gas-fired district heating.

The final text was published on 8 May 2024 and entered into force on 28 May 2024. Member States have two years to transpose the Directive into their national legislative framework. The Directive distinguishes fossil gases from renewable gases, allowing the latter to be considered as renewable energy generated onsite for the purpose of zero emission buildings. Moreover, to decarbonise the building sector, the phase out from fossil fuel boilers should be reached by 2040, despite halting subsidies for boilers running on fossil fuels starting from 2025. The Commission has issued non-legally binding guidance documents to better qualify what a fossil fuel boiler is, as renewable gas heat pumps and hybrid systems will continue to be allowed.

Indeed, the 2040 phase-out targets the gradual elimination of fossil gas combustion. In line with the principle of technological neutrality, it is the type of fuel used – not the technology itself – that determines whether a boiler is classified as fossil or non-fossil.

Member States will have the flexibility to meet this objective through (i) full or partial replacement of stand-alone boilers with electric solutions, (ii) substitution of fossil gases with renewable alternatives such as biofuels, bioliquids, biomass-based fuels, or RFNBOs, (iii) hybrid systems.

Expected evolution of the European legislative framework

On 26 February 2025, the European Commission published the *Clean Industrial Deal*, aiming to address three key challenges: climate change, industrial competitiveness, and economic resilience. Its primary objective is to create a more favorable environment, particularly for Europe's energy-intensive industries. Among its key initiatives, the European Commission plans to develop an *Action Plan for Affordable Energy* to lower energy costs for both industry and households, with a focus on improving gas market efficiency and accelerating electrification. Additionally, the European Commission aims to reduce the industrial sector's carbon footprint and promote hydrogen (H_2) as a key decarbonization solution for Hard-to-Abate industries.

Alongside the *Clean Industrial Deal*, the European Commission introduced the *Action Plan for Affordable Energy*, designed to mitigate Europe's energy price volatility and supply costs. The European Commission envisages an Energy Union based on a fully integrated energy market, supported by an interconnected grid and a coherent regulatory and governance framework. The plan emphasizes the need for a decarbonized energy system, underpinned by a significant expansion of clean energy generation, widespread electrification, and energy efficiency as central pillars. It also promotes a more transparent and competitive gas market while continuing efforts to diversify supply sources and reduce demand. Once again, the focus seems to be on large-scale electrification, increased renewable energy generation, and greater flexibility in the electricity system, complemented by higher energy efficiency standards.

Principal Legislation regarding regulation of the Issuer

The gas market in Italy is controlled and monitored by the ARERA which was established by Law No. 481/1995 (**Law 481/95**). The main tasks of the ARERA, as set out in Law 481/95, are to guarantee the promotion of competition and efficiency while ensuring adequate service quality standards in the electricity and gas sectors. These goals are achieved by ensuring a uniform availability and distribution of services throughout the country, by establishing a transparent and reliable tariff system based on pre-defined criteria and by promoting the interests of users and consumers, taking into account specific European legislation in such sector and general political guidelines of the Italian government. The tariff system is required to reconcile the economic and financial goals of electricity and gas operators with general social goals, and with environmental protection and the efficient use of resources.

Legislation regarding distribution of natural gas

The Letta Decree – as subsequently amended and modified – redefined the concept of distribution by unbundling it from sales, transportation and dispatching, storage and LNG regasification activities and qualifying it as a public service. As a result, distribution means the transportation of natural gas from injection points connected to the transportation network through local pipelines for delivery to users. Until the entry into force of the new applicable legislative framework as of 2011 (as better explained below) distribution was carried out under a concessionary regime, whereby natural gas distribution licenses were granted by local authorities (such as municipalities (*Comuni*), joint municipalities (*Unioni di Comuni*) and mountain municipalities (*Comunità Montane*)) through tender procedures for terms of up to 12 years. Limited liabilities companies, including publicly-held companies and limited liability co-operative companies, did submit bids in accordance with Article 14 of the Letta Decree, while adjudication was conditional upon the "best economic conditions and service levels, quality and safety levels, investment plans for the development and upgrade of networks and facilities, for their renewal and maintenance, and technological and managerial innovation, submitted by competing companies". Once distribution concessions were granted, relations between the local authority and the operator were governed by service agreements, based on a master agreement to be approved by the ARERA, which include the duration of, and procedures for, the performance of the service.

The relevant local authority had to initiate a new tender procedure at least one year prior to expiry of the applicable concession period. Upon the expiry of such period, networks, facilities, and any transferable equipment were returned to the local authority in consideration for an indemnity payment. The amount of such indemnity payment will be calculated on the basis of what has been established in the agreements and in the call for tender or, if this cannot be done, based on the criteria in Italian Royal Decree No. 2578/1925 (industrial value criterion). In several cases, there was a dispute between the parties regarding the quantification of the indemnity and the related assessment were assigned to an arbitrators panel.

According to Letta Decree (as subsequently amended), all distribution concessions which were active as of 21 June 2000 awarded without a public tender, shall terminate at the end of the so-called Transitory Period (except if their natural expiry date occurs before such date). The duration of the Transitory Period was originally equal to five years (i.e. until 31 December, 2005) (the **Transitory Period**). According to Article 1, paragraph 69, of Marzano Law, the Transitory Period was postponed to 31 December 2007. However, the Transitory Period may be further extended if certain conditions are met (i.e. (i) for public interest reasons and (ii) in case of fulfilment of the conditions set out under Article 15, paragraph 7, of the Letta Decree). See the section headed "*Description of the Issuer*" - "*Gas Distribution Concessions*".

The concessions active as of 21 June 2000, awarded by means of a tender procedure, shall terminate at their natural expiry date but, in any case, not later than 31 December 2012.

With respect to the automatic extension granted under Article 23, paragraph 1, of Decree273/2005, the European Union Court of Justice (17 July 2008, C-347/06) ruled that the same is in compliance with the European Union Treaty *provided that* the extension is necessary in order to allow the parties to terminate the concession under acceptable conditions considering both the public services needs and the economic consequences of the termination on the parties.

The transitional rules introduced by the Letta Decree allowed local authorities to adopt resolutions necessary to adapt to the new concession regime, through a call for tenders for the grant of the service and transformation of current management companies into limited liability companies or limited liability co-operative companies.

In 2011, the applicable legislative framework in the field of gas distribution was redefined as follows:

Ministerial Decree to determine the geographical areas in the natural gas distribution sector (Multi-municipality Areas Decree)

The first of four ministerial decrees on natural gas distribution reforms was published in the Italian Official Gazette (*Gazzetta Ufficiale Italiana*) on 31 March 2011.

More specifically, the Multi-municipality Areas Decree, which was issued by the MEES in collaboration with the Ministry for Regional Relations and National Cohesion (*Ministro per i Rapporti con le Regioni e per la Coesione Territoriale*) on 19 January 2011, establishes multi-municipality minimum geographical areas (known as ATEMs) for which new gas distribution concessions must be assigned.

The Multi-municipality Areas Decree identifies 177 ATEMs relating to provinces, or divided provinces in the case of the most populous ones or large towns and cities. Several neighbouring ATEMs may combine if they wish to do so. In particular, the Italian territory was subdivided into 177 ATEMs and each of them includes the territory of a maximum of 50 municipalities, *provided that* it will serve at least 50,000 users (up to a maximum of 300,000 users). In general, an ATEM represent the territory of a Province.

The subsequent Decree 93/2011 established that:

- local authorities which, on the date Decree 93/2011 came into force, in the case of an open tender, published notices of invitations to tender, or, in case of restricted tender processes, also asked for letters of invitation, in both cases including the definition of the bid evaluation criteria and the redemption value to the outgoing operator and had not awarded the winning firm, can proceed with entrusting the natural gas distribution service in accordance with the procedures applicable on the date of the call to tender; and

- otherwise, starting from that date, the tenders for entrusting the service will be carried out exclusively for the provinces identified by the Multi-municipality Areas Decree.

Ministerial Decree to protect jobs in case of change of gas distribution operator (Decree protecting employment levels)

The Decree protecting employment levels, adopted by the MEES in conjunction with the Ministry of Work and Social Policy (*Ministero del Lavoro e delle Politiche Sociali*) on 21 April 2011 and published in the Italian Official Gazette (*Gazzetta Ufficiale Italiana*) on 4 May 2011, regulates the social effects associated with the granting of new gas distribution concessions.

The provisions include the obligation, for the incoming operator, to hire the personnel of the outgoing operator for the running of gas distribution plants and a quota of the personnel in charge with territorial and central functions.

However, in order to avoid opportunistic behaviour by the outgoing operator and obstacles put in the way of operating efficiency, the obligation to hire the staff is limited to a number of employees that is less than a reference value.

Ministerial Decree for identifying Municipalities which are part of each of the 177 multi-municipality minimum geographical areas (Decree for Determining Municipalities for each Area)

The Decree for Determining Municipalities for each Area, adopted by the MEES in conjunction with the Ministry for Regional Relations and National Cohesion (*Ministro per i Rapporti con le Regioni e per la Coesione Territoriale*) on 18 October 2011 and published in the Italian Official Gazette (*Gazzetta*

Ufficiale Italiana) on 28 October 2011, defines the list of Municipalities belonging to each geographical area of the natural gas distribution sector.

Moreover, when supplying the list of Municipalities, in addition to the name of the Area, indicated in Annex 1 of the Multi-municipality Area Decree, the Decree for Determining Municipalities for each Area also adds a geographic characterisation, if absent, to facilitate identification.

Ministerial Decree for identifying criteria through which area tenders will be held and awarded (Tender Criteria Decree)

The Tender Criteria Decree, adopted by the MEES in conjunction with the Ministry for Regional Relations and National Cohesion (*Ministro per i Rapporti con le Regioni e per la Coesione Territoriale*) on 12 November 2011 and published in the Italian Official Gazette (*Gazzetta Ufficiale Italiana*) on 27 January 2012, contains provisions regarding the requirements for participation, bid evaluation criteria, the compensation figure to pay to the outgoing operator, as well as the "type of call to tender".

The amount of payment to holders of concessions and licenses, when the applicable transition period expires, will be calculated on the basis of what has been established in the agreements or, if this cannot be done, based on the criteria in Royal Decree No. 2578/1925 (industrial value criterion). In case of a dispute, the outgoing operator will be paid the higher value between the value of net fixed assets of locality ("*immobilizzazioni nette di località*") of the distribution service, including construction in progress, net of public or private contributions, calculated using the methodology of the current tariff adjustment and on the basis of the consistency of the plants at the time of their transfer and the value estimated by the local authority, with possible adjustments after the dispute has been resolved. The incoming operator will acquire ownership of the system by paying the outgoing operator the redemption value, with the exception of any assets owned by the local municipality.

Tenders will be awarded based on the most economically advantageous offer with regard to the following criteria:

- economic conditions;
- security of the service;
- quality of service; and
- development of the distribution system.

As a consequence of the above mentioned law provisions, the tender procedures for the awarding of new gas distribution concessions should commence once certain conditions provided by the Tender Criteria Decree have been met and within the time period (which differ from region to region) set out in Annex 1 of the Tender Criteria Decree.

By a Ministerial Decree dated 5 February 2013 a master service agreement for the distribution of natural gas was approved in compliance with the provisions of Article 14 of Decree 164/2000.

In particular, such master service agreement covers in detail all aspects of the concessionary regime, the mutual obligations of the parties, the duration of the agreement – determined in twelve years, the termination provisions, and provides that the outgoing operator transfers the ownership of its plants to the incoming operator upon payment by this latter of the compensation figure provided for under Article 14, paragraph 8 of the Letta Decree.

The MASE has opened a consultation on a draft of a new Ministerial Decree aimed at updating the regulation on the gas tender criteria, in application of the provisions of the Competition Law 118/22.

The draft introduces changes to articles 4, 9, 10, 13 and 15 of the Ministerial Decree, as well as to the tender regulations referred to in Annex 3 of the Ministerial Decree.

The most significant modifications are made in relation to the criteria for awarding the offers, in particular the economic conditions, and to the scores on a number of items.

The effort is consistent with the provision of the competition decree, where it provides for the need to support technical innovation and interventions and proposals favoring renewable gas developments. In addition, seven new sub-criteria are envisaged aimed at enhancing interventions that mitigate the emission of greenhouse gases, increase energy efficiency, and implement innovative and digital management tools.

No modifications are proposed to article 5, regarding methodologies for calculating the reimbursement value for the incumbent, in case a new operator wins the tender.

The draft Ministerial Decree applies only to tenders not yet announced at the date of entry into force of the Decree, but the Contracting Authorities may opt for the new rules if the procedure already in place has not reached the deadline for the submission of offers.

The draft Decree was put out on consultation with the gas industry Association (Proxigas), the Italian Municipalities Association, ARERA and other Stakeholders.

After the consultation, the Ministry has incorporated some of the proposals in the draft decree, which is currently under validation for approval and publication in the Official Gazette and subsequent entry into force.

Legislative Decree No. 69 of 21 June 2013 (Decreto del Fare)

Article 4 of Legislative Decree No. 69 of 21 June 2013, known as the "*Decreto del fare*" contains, among other things, provisions regarding concessions for gas distribution. It provides that the time limits introduced by Article 3 of the Tender Criteria Decree regarding selection of a body tasked with overseeing the tender process and the issue of tender bids are definitive and, if they are not met, the relevant region (*Regione*) must launch the tender bid by nominating a *commissario ad acta*. If the region fails to act, the Ministry of Economic Development shall do so and shall nominate a *commissario ad acta*. In addition, the local body in breach of the relevant regulations can be given a fine and other sanctions described in the decree.

The *Decreto del fare* also contains provisions regarding valuation of the compensation figure for gas distribution network and plant and provides that the Ministry of Economic Development may issue specific guidelines regarding the methods and criteria of such valuation.

Law Decree No. 145/2013

Law Decree No.145/2013 has been converted into law with amendments by Law No. 9/2014. In particular, Law Decree No. 145/2013 as converted provides that:

(a) the redemption value recognised for outgoing gas distribution operators during the transitional period, if not possible to ascertain from the intention of the parties (and therefore from the contractual provisions of the concessions), must be determined in accordance with the guidelines concerning the metrics and modalities for the recognition of the redemption value that the Ministry of Economic Development (*Ministero dello Sviluppo Economico*) may issue pursuant to Article 4, paragraph 6, of Law Decree 69/2013 as converted, with amendments, by Law No. 98/2013;

(b) from the redemption amount will be deducted private contributions related to local assets, evaluated according to the methodology of current tariff regulation; and

(c) if the redemption value exceeds by more than 10% of the value of local fixed assets computed on the basis of the applicable tariff regulations (net of public contribution for capital account and private contributions related to local assets), a certain procedure (involving also the ARERA) must be followed.

On 6 June 2014 the Ministry of Economic Development (*Ministero dello Sviluppo Economico*) published in the Official Gazette No. 129 the guidelines concerning the metrics and modalities for the recognition of the redemption value of gas distribution networks.

Law Decree No. 91/2014

Law Decree No. 91/2014 (*Decreto competitività*) has been converted into law with amendments by Law No. 116/2014. By modifying Article 15, paragraph 5, of the "Letta Decree" (Decree 164/2000), such Law Decree states that, during the transitional period, in order to calculate the reimbursement amount due to the outgoing distributor reference shall be made to the existing contracts between municipalities and gas distribution companies, *provided that* such contracts have been entered into on or before 11 February 2012 (date of the entry into force of the Tender Criteria Decree, see the section headed"*Ministerial decree for identifying criteria through which area tenders will be held and awarded (Tender Criteria Decree)*" above). As for the contracts between a gas distribution company and the relevant municipality entered into after 12 February 2012, the reimbursement shall be calculated according the guidelines set out by a Ministerial Decree of 22 May 2014.

Law Decree No. 192/2014

On 28 February 2015, the Italian Official Gazette, General Series No. 49, published Law 11/2015 converting into law the Law Decree 192 of 31 December 2014 (the so-called "*Mille Proroghe Decree*") which, among other things, introduces an additional amendment to deadlines already set out and extended several times for calls for tenders for gas distribution concessions, stipulating, *inter alia*, that:

- the deadline for publication of the call for tenders by the contracting entity and for alternative measures by the region will be extended until 11 July 2015 for the area pertaining to the first group listed under annex 1 to MD 226; and

- the deadline beyond which a penalty applies to local authorities pursuant to Article 4, paragraph 5 of Decree Law 69/2013 in the event of failure to comply with the deadline for issuing calls for tenders shall be extended to 31 December 2015 for the first two groups of areas listed under annex 1 of MD 226.

Ministerial decree No. 106/2015 modifying the Tender Criteria Decree

The decree adopted by the MEES in conjunction with the Ministry for Regional Affairs and Local Governments (*Ministro per gli Affari Regionali e Autonomie*) on 20 May 2015 and published in the Italian Official Gazette (*Gazzetta Ufficiale Italiana*) on 14 July 2015, introduces amendments to the Tender Criteria Decree (i.e. MD 226).

In particular, the amendments consist in: adjusting the text of the original decree in order to reflect the legislative changes occurred so far and the fourth regulatory period's tariff framework; defining operational procedures to be followed regarding tender criteria on energy efficiency investments in each multi-municipality geographical area; clarifying the rules to be followed in order to calculate the redemption value due to the outgoing distributor operator, previously set out by the Ministerial Decree adopted on 22 May 2014 and published in the Official Gazette No. 129 on 6 June 2014.

Law Decree No. 210/2015

On 26 February 2016, the Italian Official Gazette, General Series No. 47 published Law No. 21/2016 converting into law the Law Decree n. 210/2015. According to Article 3, paragraph 2-bis, of Law Decree No. 210/2015, the deadline for publication of the call for tenders for gas distribution concessions is postponed. The term of the postponement (12, 14, 13, 9 or 5 months) diverges with regard to each group listed under annex 1 to MD 226.

Article 3, paragraph 2-ter, of Law Decree No. 210/2015 amends Article 4 of the Legislative Decree No. 69 of 21 June 2013. The paragraph prescribes that the region has to attend a further period of six months before proceeding with the launch of the tender by nominating a *commissario ad acta*. In case the region does not proceed within the aforementioned period of six months, the Ministry of Economic Development, after a period of two months, shall launch the tender by nominating a *commissario ad acta*. In addition, the fine and other penalties for the local body in case of delay in launching the tenders, previously provided by the same Legislative Decree No. 69 of 21 June 2013, are deleted.

Law Decree No. 244/2016

On 28 February 2017, the Italian Official Gazette, General Series No. 49, published Law No. 19/2017 converting into Law Decree n. 244/2016. According to Article 6, paragraph 5, of Law Decree No. 244/2016, the deadline for publication of the call for tenders for gas distribution concessions is postponed for 24 months in 9 ATEMs of Marche, Umbria, Abruzzo e Lazio, where there are municipalities affected by the earthquakes of August and October 2016.

Law No. 124/2017 (Legge annuale per il mercato e la concorrenza)

On 14 August 2017, Law No. 124/2017 was published on the Italian Official Gazette. In such Law, Article 1 paragraphs 93, 94 and 95 introduce some minor amendments and clarifications to the legislation concerning the procedures for tenders for the awarding of gas distribution concessions. Such modifications may be summarized as follows.

- Article 1, paragraph 93 establishes that the awarding authority is no longer obliged to send to ARERA the detailed evaluation of the difference in value between VIR and RAB prior to the tender, provided that the awarding authority is able to certify, even through a competent third party, that the termination value has been calculated by applying the guidelines set out under Ministerial Decree 22/5/2014 and that the overall difference between VIR and RAB within the minimum geographical area is not greater than 8%, provided that such difference in each single municipality does not exceed 20%.
- According to Article 1, paragraph 94, ARERA shall define a simplified procedure for the evaluation of the future calls for tender (*bandi di gara*), which shall be applicable whenever a single call for tender (*bando di gara*) is consistent with the standard Call for Tenders (*bando di gara tipo*), the standard Bidding Rules (*disciplinare di gara tipo*) and the standard service contract (*contratto di servizio tipo*).
- Article 1, paragraph 95 clarifies that, in case of participation to a tender through a temporary association of companies or consortia, some of the technical capacity requirements defined by the Tender Criteria Decree must be possessed cumulatively by all of the members of a temporary association of companies (*raggruppamento temporaneo di imprese*) or a consortium (*consorzio ordinario*) whilst others may be possessed even by just one of such members.

With Resolution 905/2017/R/gas, published on 28 December 2017, the ARERA has implemented the provisions of Law No. 124/2017, with the aim to simplify the procedures for the calculation of the Reimbursement Value and for the evaluation of tender documents for the awarding of gas distribution concessions.

The Resolution:

- approved two consolidated acts (annexed to the Resolution as Annex A and Annex B) which contain provisions concerning the calculation and verification of the Reimbursement Value of the gas networks and the evaluation of Calls for Tenders (*bandi di gara*);
- repealed the previous ARERA Resolutions 113/2013/R/gas, 155/2014/R/ gas and 310/2014/R/gas, having the consolidated acts fully incorporated the provisions therein contained without making significant innovations.

With reference to the calculation of the Reimbursement Value, the relevant consolidated act (Annex A) specifies, *inter alia*, that the evaluation of the difference between VIR and RAB is carried out by the ARERA according to three regimes:

- individual ordinary regime for the Municipality;
- individual simplified regime for the Municipality, pursuant to the ARERA Resolution 344/2017/R/gas, published on 19 May 2017;
- simplified framework regime for the ATEM (*ambito*), pursuant to Law No. 124/17.

The consolidated act (Annex A) also specifies that, in case of disagreement between the awarding authority and the outgoing operator on the amount of the Reimbursement Value, for the purpose of calculating the difference between VIR and RAB within the minimum geographical area (ATEM), the greater of the two values is assumed.

With reference to the evaluation of Calls for Tenders (*bandi di gara*), the specific consolidated act (Annex B) states that the evaluation is carried out by the ARERA by applying two different methods which are detailed in such act: the ordinary procedure and the simplified regime. The simplified regime shall apply to those awarding authorities that have used the standard tender documents approved by the ARERA, without substantial amendments whilst, in all other cases, the more complex ordinary evaluation procedure shall apply.

Law Decree No. 34/2020 and Law Decree No. 69/2023

On 18 July 2020 the coordinated text of the conversion law of Decree No. 34/2020 was published in the Italian Official Gazette. In art. 114 ter of this law, the exclusion of the investment ceiling for delivery point established by ARERA with Resolution No. 704/2016 was introduced, limited to network extensions and expansions made in municipalities located in mountain areas and in those that were granted contributions with CIPE Resolution No. 5/2015 of 28 January 2015. Such provisions entitle Italgas to fully recover capex through tariffs in a number of municipalities, among whom those located in the Ischia island and Favara (Sicily). This measure has been modified by the art. 22 of the conversion law of the Decree No. 69/2023, establishing a new “differentiated cap” for the municipalities mentioned, to be set by ARERA taking into account the need to remunerate functional investments to ensure the injection of gas from renewable sources into the grid.

Competition Law No. 118/2022 (Legge Concorrenza 2021)

On 12 August 2022 the Competition Law 2021 No. 118/2022 (*Legge Concorrenza* 2021) was published in the Italian Official Gazette and came into force on 27 August 2022.

The Law introduces several novelties with regard to the gas tender procedures, among which:

- The VIR valorisation of the public networks sold in the context of the tender process in accordance with the rules approved by ARERA within 90 days from the date of entry into force of the Competition Law No. 118/2022;

- The valorisation of the EEC to be paid to the Local Authorities in accordance with the provisions of Article 8, paragraph 6, of the Ministerial Decree n. 226/2011;
- A new threshold for assessing VIR / RAB deviations;
- A new deadline (maximum 60 days) for sending the information necessary to prepare the tender notice to the local authority, with the application of sanctions to incumbent in the event of failure, inaccurate or late provision of data within the deadline established.

The adoption, within six months of the approval of the law, of a Decree of the MASE, after hearing ARERA's opinion, to update the tender criteria set by the Ministerial Decree for identifying criteria through which area tenders will be held and awarded (see above Tender Criteria Decree) to take into account technological innovation, in order to enhance new types of intervention more responsive to the renewed technological framework. A draft of such Decree has been put under consultation of several stakeholders, among which gas associations and municipalities associations but, at present, the final version of the Decree has not yet been published.With Resolution No. 714/2022/R/gas, published on 23 December 2022, ARERA updated the integrated text of the provisions on determining the reimbursement value of natural gas distribution networks for the purposes of ATEM Tenders (Annex A to ARERA Resolution No. 905/2017/R/gas), in implementation of the provisions of the Competition Law No. 118/2022 (*Legge Concorrenza* 2021).

With Resolution No. 296/2024/R/gas, published on 18 July 2024, ARERA approved the new integrated text of the provisions relating to tenders in the natural gas distribution sector, to simplify and accelerate the ongoing procedures, make faster verification methods available for those started after the adoption of the Resolution and speed up the execution of tenders.

In particular, the new integrated text is divided into four chapters:

- verification of the reimbursement value of the gas distribution networks for the purposes of ATEM tenders:

  - applicable regimes for evaluating the difference between VIR and RAB for the ongoing proceedings (ordinary accelerated for Municipality and simplified individual for Municipality);

  - applicable regimes for evaluating the difference between VIR and RAB for the New VIR-RAB procedure (ordinary accelerated, simplified, framework regime for the ATEM pursuant to Competition Law no. 118/22);

- evaluation of Calls for Tenders under the ordinary and simplified regime;

- new unified procedure for the simultaneous verification of the difference between VIR and RAB and the Call for Tender;

- transparency provisions, relating to the status of the procedure and the communication of the outcome of the tender.

REGULATORY - TARIFFS - ITALY

As described above, the distribution of natural gas in Italy is regulated by the ARERA, which has been operative since 1997, and is responsible for the regulation of the national electricity and natural gas markets. Among its functions are the calculation and updating of the tariffs, and the provision of rules for access to infrastructures and for the delivery of the relative services. According to the Letta Decree, rules for the access and delivery of the services are defined in the codes (Distribution Code) set by the relevant Company and approved by ARERA. Tariff regulation is set by the ARERA before the start of each regulatory period. It identifies the criteria for the determination of the "allowed revenues" and their revision during the regulatory period as well as the methodology for calculating tariffs. This general methodology applies to all businesses areas and is designed to cover capital and operational costs directly related to the business activities of the relevant company.

As explained in more detail below, the reference revenues of distribution operators every year are set as the sum of:

- remuneration on net invested capital which is determined multiplying the Local RAB by the WACC;
- depreciation allowance (pursuant to depreciation rates applied to the gross asset base used for calculating the RAB), calculated on the basis of the economic/technical life of different types of assets, as established by the ARERA for local assets;
- operating costs allowance, which may include an element of profit-sharing on the extra-efficiency achieved during the previous regulatory periods; and
- Centralized RAB-allowed revenues, which are set on a parametric basis by ARERA per RP served, updated annually, covering the Centralized RAB remuneration and depreciation allowance.

The revenues related to remuneration and depreciation allowance are updated on an annual basis according to RAB evolution during the period, while the revenues related to operating costs are updated according to the price cap methodology RPI – X formula, where RPI represents the inflation index and X is the efficiency target set by the ARERA.

The allowed revenues are guaranteed during the period through an equalisation mechanism, managed by the ARERA through the Cassa Conguaglio Settore Elettrico (Electricity Equalisation fund – now Cassa per i servizi energetici e ambientali – Energy and Environment Equalisation fund), to guarantee equivalence between the revenue obtained by each company by application of the mandatory tariff, which, naturally, does not reflect the specific costs of each company, and the costs recognised for such company, using the reference tariff.

The following are the primary tariff components for the business of the Issuer, based on the regulatory framework in force.

End of TARIFF regulatory period	End of the first half-period: 31 December 2022 End of the second half-period: 31 December 2025
Calculation of net invested capital recognised for regulatory purposes (RAB)	Revaluated historical cost Parametric method for centralised assets

Return on net invested capital recognised for regulatory purposes (real pre-tax WACC)	Distribution and Metering 6.3% (year 2020-2021) 5.6% (year 2022-2023) 6.5% (year 2024) 5.9% (year 2025)
Incentives on new investments	Remuneration of investment year t-1 for time lag recognition
Efficiency factor (X FACTOR)	3.53% on distribution operating costs as established by Resolution 570/2019/R/gas, later amended in 3.39% with Resolution 409/2023/R/gas and further amended in 2.74% with Resolution 87/2025/R/gas 1.57% on commercialization operating costs 0% on metering operating costs

Gas Distribution Tariffs for the fifth regulatory period: general provisions

With Resolution no. 570/2019/R/gas, published on 27 December 2019 ARERA defined the tariff criteria for the distribution and metering services on the local distribution networks for the fifth regulatory period (1 January 2020 to 31 December 2025) divided into two half-period of three years each. In summary, the Resolution provides for:

- recognition of the net invested capital in site by the re-evaluated historical cost methodology and of the net invested capital with respect to centralised operations (non-industrial buildings, ICT assets, vehicles and other fixed assets) by the parametric methodology;
- the base return rate (WACC) of net invested capital (RAB) is set at 6.3% for 2020 and 2021 in real terms before taxes both for the distribution service and metering service;
- recognition of the operating costs of distribution operations on a parametric basis and differentiated for each operating company depending on company size and density of the customers connected to the network;
- recognition of the operating costs of metering and sales operations using equal parametric components for all companies;
- recognition of investments in smarts meter is obtained by using a weighted average of the standard cost (30%) and the actual cost (70%);
- the revenues associated with new investments are paid starting from the first year following that in which the costs were incurred ("spending") and are guaranteed regardless of the volumes trans-ported;
- the price cap method for updating the tariffs is applied to revenue relating to operating costs, which are indexed to inflation and reduced by a fixed annual productivity return coefficient set at 3.53% for operating costs of large companies relating to distribution, 0% for operating costs relating to metering and 1.57% for operating costs relating to commercialization. The productivity factors might be updated in the second half period by the ARERA, if deemed necessary;
- the revenue components which are related to returns and depreciation are determined on the basis of the annual update of net capital invested (RAB). As in the fourth regulatory period, the depreciation is not subject to the price-cap mechanism and calculated on the basis of the useful economic and technical life of the distribution infrastructure which is 50 years;
- in relation to the recognition of the residual costs of traditional meters lower than or equal to G6 re-placed with smart meters, an amount is recognized for the recovery of non-depreciation

(IRMA), to be paid to the distribution companies over five years, equal to the difference between the residual non-depreciated value, calculated by applying the pro-tempore regulatory useful life in force and the residual value, calculated by applying a useful life of 15 years; there is also provision for the recovery of non-depreciation for traditional meters installed in the period 2012-2014 replaced with smart meters;

- confirmation of an equalisation mechanism, managed by the ARERA through the Cassa Conguaglio Settore Elettrico (Electricity Equalisation fund– now *Cassa per i servizi energetici e ambientali* – Energy and Environment Equalisation fund), to guarantee equivalence between the revenue obtained by each company by application of the mandatory tariff, which, naturally, does not reflect the specific costs of each company, and the costs recognised for such company, using the reference tariff; and
- public and private contributions received from 2012 are deducted from the value of fixed assets, both for the purpose of calculating the remuneration of the invested capital and for the purpose of calculating the depreciation and are downgraded by the amount deducted from the depreciation. As for the fourth regulatory period, a portion of the existing stock is immediately released while the remaining portion is subject to a release over time (the so called "frozen portion"). The time horizon adopted for the full release of these subsidies is aligned with the time horizon for the re-lease of the subsidies subject to downgrade (about 34 years) in order to guarantee graduality and tariff stability;
- with regard to the methanization of Sardinia, the establishment of a Sardinian tariff area by providing, for a period of three years, an equalisation mechanism that makes it possible to equalise the distribution tariff for Sardinia with the ones applied in the South area;
- confirmation of a unitary cap on the amount of costs recognised to cover capital costs relating to the distribution service for new investments in municipalities with first supply from 2018 onwards, to the extent set out in Resolution no. 704/2016/R/gas, through the application of a methodology that, though not yet fully developed by the ARERA, may give more flexibility to distributors in the development of new gas grids in localities not yet methanised.

Gas Distribution Tariffs for distribution services on minimum geographical areas

Resolution no. 570/2019/R/gas defines the tariff regulation of distribution and metering services for the regulatory period 2020-2025 also regarding the provisions related to the distribution services on minimum geographical areas.

The provisions related to the distribution services on minimum geographical areas shall be applied from the entrusting date, as resulting from the service contract stipulated by the contracting authority (*stazione appaltante*) and by the incoming operator. The main aspects of the document are described below:

- the initial value, recognised for tariff purposes, of the Local Net Invested Capital being transferred for consideration to the incoming operator should be determined based on:

  (a) the Reimbursement Value paid to the outgoing operator pursuant to Article 5 of MD 226, in the event that the outgoing operator is different to the incoming operator, determined as the reconstruction value carried forward, net of depreciation and contributions received; or

  (b) in all other cases, the value of the Local Net Invested Capital, calculated based on the criteria used by the ARERA to determine distribution tariffs;
- at the end of the first concession period (12 years), the value of the Local Net Invested Capital will be determined, in both cases (a and b), as the sum of two components:

(a) the residual value of the existing stock of assets at the start of the concession period, valued based on the amount to be reimbursed pursuant to Article 5 of MD 226, taking into account amortisation and depreciation, as well as disposals recognised for tariff purposes during the concession period; and

(b) the residual value of new investments made during the concession period and in existence at the end of the period, calculated pursuant to the applicable tariffs regulation;

- for determining the annual depreciation allowed for tariffs purposes, the extension of the useful regulators lives shall apply, in accordance with the values adopted by MD 226 and starting from the awarding of concessions area by tender;
- the operating costs relating to the distribution service in case of distribution service on minimum geographical areas are set by Resolution 570/2019/R/Gas according to the size and density of the minimum geographical areas. The annual rate of reduction of the unit costs which shall cover the operating costs of the distribution service, to be applied for updates of the tariffs for the first two years following the year of entrusting of the service by tender shall be equal to 0%. For the subsequent years, the annual rate of reduction will be equal to that provided for the local distribution networks for distribution companies belonging to the size category more than 300,000 delivery points served;
- ARERA shall define and publish: i) no later than 15 December of each year the mandatory tariffs for distribution and metering services, to be applied to the following year; ii) no later than 31 March of the year "t", on a provisional basis, the relevant tariffs for the year "t", calculated on the basis of the pre-final financial data for the year "t-1"; iii) no later than 28 February of the year "t+1", on a definitive basis, the relevant tariffs for the year "t", calculated on the basis of the pre-final financial data for the year "t-1".

Recent developments in Gas Distribution Tariffs

With Resolution no. 583/2015/R/com, published on 2 December 2015, as amended by Resolution no. 570/2019/R/gas, ARERA issued the criteria to calculate and update the base return rate (WACC) for the gas and electricity regulated businesses for the period ranging from 1 January 2016 to 31 December 2021. For the years 2016, 2017 and 2018 the base return rate (WACC) is set at 6.1% for distribution business and 6.6% for metering business. For 2019 WACC is set at 6.3% for distribution business and 6.8% for metering business. For 2020 and 2021 WACC is set at 6.3% for distribution business and metering business, as ARERA deemed necessary to align the parameter reflecting the systemic risk of the metering and distribution activities.

With Resolution 614/2021, as a result of the consultation process launched with DCO no. 308/2021 and DCO 488/2020, approved the criteria for estimating and updating the rate of return on invested capital for infrastructure services in the electricity and gas sectors for the second regulatory period starting on 1 January 2022 (TIWACC 2022-2027). The 2PWACC is divided into two sub-periods, each lasting three years (interim review) with a possible trigger mechanism whereby WACC could be revised also annually (for the first three years) if the cumulative impact on the WACC from updating the main parameters is above a threshold of 50 bps. The Authority introduced changes in the methodology in particular regarding the cost of debt and the risk-free rate. For 2022 WACC is set at 5.6%, for gas distribution and measuring business. With Resolution 654/2022, since the conditions for the 50-bps upgrade of the allowed return are not met in 2023, ARERA provided that the WACC set at 5.6% also applies in 2023.

With Resolution no. 559/2021/R/gas, published on 13 December 2021, the ARERA has determined the amount for the recovery of non-depreciation (IRMA) of traditional G4 and G6 meters replaced with smart meters in application of the smart meter directives. The Resolution has also redetermined the reference tariffs from 2015 to 2020, in application of the new provisions relating to the methods for declaring the decommissioning of traditional G4 and G6 meters replaced with smart meters (regulatory FIFO).

With Resolution no. 620/2021/R/gas, published on 29 December 2021, the ARERA has approved the mandatory tariffs for natural gas distribution and metering services for 2022. The Resolution provided an adjustment in the allowed operating costs, setting it at 0.9%, reflecting cost variations arising from changes in the tax framework regulatory following the entry into force, from 1 January 2021, of the provisions on the single capital concession fee.

With Resolution no. 634/2021/R/gas, published on 29 December 2021, the ARERA has postponed the publication of the provisional reference tariffs for year t to 30 April of year t and the publication of the definitive reference tariffs for year t to 31 March of year t+1.

With Resolution no. 154/2022/R/gas, published on 6 April 2022, the ARERA has approved the definitive reference tariffs for the distribution and metering services for 2021.

With Resolution no. 194/2022/R/gas, published on 5 May 2022, the ARERA has approved the provisional reference tariffs for natural gas distribution and metering services for 2022.

With Resolution no. 525/2022/R/gas, published on 28 October 2022, the ARERA defined a three-stage mechanism for the application of the cap on the tariff recognition of capital costs in new methanized municipalities.

With Resolution no. 679/2022/R/gas, published on 16 December 2022, the ARERA has redetermined the definitive reference tariffs for the distribution and metering services for the period 2009-2020, due to adjustment requests issued by operators. As for Italgas Reti, the Resolution has also redetermined tariffs for ATEM Torino 2 considering the positive impact of not unfreezing contributions.

With Resolution no. 737/2022/R/gas, published on 29 December 2022, the ARERA has approved the interim review of the regulatory criteria for the period 2023-2025. The main elements are:

- Allowed opex and x-factor: the Authority confirmed the methods of setting and updating operating costs applied in the years 2020-2022 implying the fact that the x-factors in place in the first half-period are confirmed.
- Investments in smart meters up to G25 starting from 2023 (tariff year 2024) are based on a new standard cost levels for the three-year period 2023-2025 (lower compared to the previous half period) while standard costs for meters above G25 are confirmed also for the second half-period.
- Recognition of residual value of early decommissioned smart meters in the first roll out phase: the Authority will define the recognition of the residual value of early decommissioned smart meters installed until the year 2018, provided that such decommissioning refers to equipment manufactured until the year 2016.
- Parametric recognition of remote reading/telemanagement costs: the Authority provided, with reference to the coverage of operational and capital costs related to remote reading/telemanagement systems, the definition of a single parametric tariff component of 1.59 to be applied to redelivery points equipped with smart meters for the tariff year 2023.

With Resolution n. 163/2023, ARERA published the integrated text (TIROSS) containing the general guidelines for the application of the ROSS (Totex system) for the remuneration of regulated electricity and gas networks and defining the common provisions to base and integral ROSS. The main target of the ROSS approach is the focus on total expenditure - also using standard coefficients for defining capitalized expenditure - thus overcoming the current cost recognition regime which considers separately (i) the operating costs (with price-cap type incentives) and (ii) the investments (with a rate-of-return type regulation).

The migration to the new total expenditure regime should further incentivize the development of operational efficiencies, avoiding situations of overinvestment or inefficient investments. To assess the economic and financial performance, the Authority has identified Return on Regulatory Equity as the reference indicator, providing a detailed formula in TIROSS. However, the methodology for the calculation of this indicator is left to a subsequent resolution.

With Resolution No. 409/2023/R/gas, published on 22 September 2023, ARERA implemented the decision of the TAR on the resolution regarding the gas distribution tariffs for the regulatory period 2020 -2025 (Resolution 570/2019), by correcting the level of actual opex 2018 and recalculating the level of recognized operating costs in the years 2020-2023.

With Determination no. 1/2023 – DINE (Direzione Infrastrutture Energia), published on 11 October 2023, the ARERA defined the operating methods for recognising the residual costs of smart meters installed up until 2018, with a year of manufacture no later than 2016, and decommissioned before the end of their useful life for tariff purposes. In July 2024, the ARERA launched a the acquisition of data regarding the decommissioning of smart meters, through an extraordinary session of the RAB GAS data collections.

With Resolution no. 556/2023/R/com, published on 28 November 2023, ARERA updated, for the year 2024, the values of the WACC parameters common to all the infrastructure services of the electricity and gas sectors and confirmed the values of the parameters specific to each service (β asset and gearing coefficients), in force for the year 2023. Based on the update of the parameters envisaged for the trigger mechanism, the conditions for the annual update of the WACC have occurred (change of 90 bps compared to the previous year). The resolution therefore determined the WACC for the natural gas distribution and metering service at 6.5% for 2024.

With Resolution no. 631/2023/R/gas, published on 29 December 2023, the ARERA has approved the mandatory tariffs for the distribution and metering services for 2024.

With Resolution no. 134/2024/R/gas, published on 11 April 2024, the ARERA has redetermined the definitive reference tariffs for the distribution and metering services for the period 2017-2022, to take into account, among others, the correction of the error on operating costs 2020-2022 detected by TAR as part of the claims against Resolution 570/2019/R/gas, implemented by Resolution 409/2023/R/gas.

With Resolution no. 146/2024/R/gas, published on 17 April 2024, the ARERA has approved the definitive reference tariffs for the distribution and metering services for 2023.

With Resolution no. 173/2024/R/gas, published on 9 May 2024, the ARERA proceeded to recognize, on an extraordinary basis, the effects deriving from the review, by ISTAT, of the data used to determine the rate of change of the gross fixed investment deflator used for purposes of updating the tariffs for gas distribution and metering services for 2024. The new deflator for the year 2024 is set at 5.3% instead of the previous 3.8%.

With Resolution no. 376/2024/R/gas, published on 26 September 2024, the ARERA has redetermined the reference tariffs for the distribution and metering services for the period 2015-2023, for recognising the residual costs of G4 and G6 smart meters, installed up until 2018, with a year of manufacture no later than 2016 and decommissioned before the end of their useful life for tariff purposes, according to the operating methods indicated in Determination no. 1/2023.

With Resolution no. 489/2024/R/gas, published on 21 November 2024, the ARERA has redetermined the tariffs for the distribution and metering services for the period 2013-2023, to take into account, among others, the correction of the error in the calculation algorithm for the tariff recognition of the value of new investments in smart meters made in 2022.

With Resolution no. 513/2024/R/com, published on 29 November 2024, the ARERA has updated the values of the WACC parameters for determining the rate of return on invested capital for the sub-period 2025-2027, and the β asset parameter, with reference to the infrastructure services of the electricity and gas sectors. With reference to the β parameter, for the gas distribution sector only, the Authority deemed it appropriate to reduce the value by setting it at 0.41 (against the previous value of 0.439 for the three-year period 2022-2024). The trigger mechanism was also confirmed for the 2025-2027 sub-period by reducing the trigger activation threshold, set with Resolution 614/2021, from 50 bps to 30 bps. For the gas distribution sector, the Resolution sets the value of the WACC for 2025 at 5.9%.

With Resolution no. 587/2024/R/gas, published on 27 December 2024, the ARERA has approved the mandatory tariffs for the distribution and metering services for 2025. To this end, the resolution also provides that, for the year 2025, the rate of variation of the gross fixed investment deflator, determined on the basis of the current criteria, is set at 0.30%, and that any redetermination of the rate for the revaluation of capital costs following the consultation process initiated with Resolution no. 339/2024, may take effect already at the stage of determining the definitive reference tariffs for the year 2025, expected by 31 March 2026.

With Resolution no. 87/2025/R/gas, published on 12 March 2025, the ARERA has approved provisions to be compliant with the decisions of the Council of State (*Consiglio di Stato*) regarding tariffs for gas distribution and metering services, with reference to the determination of the operating costs recognized for the 2020-2025 regulatory period, pursuant to Resolution no. 570/2019/R/gas. In particular, the Resolution redetermined the initial levels of actual costs for the year 2018 and of the X-factor by determining an overall increase in recognized unitary operating costs as of 2020 for all size clusters for the regulatory period 2020 -2025.

With Resolution no. 98/2025/R/gas, published on 21 March 2025, the ARERA has redetermined the reference tariffs for gas distribution and metering services, for the years 2020 to 2023, with particular reference to operating costs, recalculated upwards because of Resolution no. 87/2025/R/gas.

With Resolution no. 130/2025/R/com, published on 27 March 2025, the ARERA has reviewed the criteria for revaluation of capital costs for electricity and gas infrastructure services and defined the capital revaluation indexes for the years 2024 and 2025. The ARERA has chosen a new indicator for the revaluation of capital costs as an alternative to the gross fixed investment deflator, providing that, for all regulated infrastructure services in the electricity and gas sectors, starting from the revaluation of capital costs in 2024, relevant for the tariff year 2025, the Harmonized Index of Consumer Prices for the European Union Countries relating to Italy (*Indice dei prezzi al consumo armonizzato per i Paesi dell'UE, IPCA Italy*) will be used, making reference to the general index published by Eurostat.

For natural gas distribution and metering services, the capital revaluation index is defined:

- equal to 6.2% for the year 2024 (instead of the previous 5.3% set by Resolution no. 173/2024/R/gas), in order to determine the definitive reference tariffs for the same year;

- equal to 1.3% for the year 2025 (instead of the previous 0.3% provisionally set by Resolution no. 587/2024/R/gas), to determine the provisional reference tariffs and the definitive reference tariffs for the same year.

With Resolution no. 192/2025/R/gas, published on 2 May 2025, the ARERA has approved the amounts of operational costs related to remote reading/telemanagement systems for the year 2021.

With Resolution no. 216/2025/R/gas, published on 30 May 2025, the ARERA has approved the definitive reference tariffs for gas distribution and metering services for the year 2024.

With Resolution no. 221/2025/R/gas, published on 30 May 2025, the ARERA has initiated two proceedings to:

- extend the period of validity of the current tariff regulation and the quality of gas distribution and metering services for the years 2026 and 2027 (TUDG);

- define the regulatory framework for the application of the ROSS regulation (Totex system) starting from 2028 with an initial experimental phase in 2027.

With Resolution no. 274/2025/R/gas, published on 26 June 2025, the ARERA has approved the provisional reference tariffs for gas distribution and metering services for 2025.

REGULATORY – TARIFFS - GREECE

The distribution of natural gas in Greece is regulated by the RAAEY, the Greek national energy, water and waste regulator, established on the basis of the provisions of L. 2773/1999, which was issued within the framework of the harmonisation of the Hellenic Law to the provisions of Directive 96/92/EC for the liberalization of the electricity market. Among its functions are the calculation and updating of the tariffs, the provision of rules for access to infrastructures and for the delivery of the relative services. Tariff regulation is set by the RAAEY before the start of each regulatory period. It identifies the criteria for the determination of the "allowed revenues" and their revision during the regulatory period as well as the methodology for calculating tariffs. This general methodology applies to all businesses areas and is designed to cover capital and operational costs directly related to the business activities of the relevant company.

The methodology envisages the calculation of a reference allowed revenue at the beginning of the regulatory period being the sum of:

- remuneration on net invested capital which is determined multiplying the Regulatory Asset Base (**RAB**), by the allowed rate of return (**WACC**);
- depreciation allowance calculated based on of the economical/technical lives set by the RAAEY for different asset types; and
- allowed operating costs as approved during the tariff definition.

The revenues related to remuneration and depreciation allowance are calculated with the setting of tariffs done as follows: the sum of estimated revenues divided by the sum of estimated volumes is discounted (using WACC as a discounting rate) to the first year of the regulatory period; for the next years this tariff is increased by the impact of inflation.The allowed revenues are guaranteed during the period through an equalisation mechanism, because at the end of each regulatory period any difference between the required revenues and the actual revenue are calculated (recoverable difference) and are considered for the calculation of the revenue of the following regulatory period.

With Decision E-257/2024, OGG B'6574/29.112024, the plenary of the energy branch of RAEWW approved the revision of tariffs for the basic activity of natural gas distribution by Enaon EDA. The Authority approved Enaon EDA proposal for the gradual implementation of a unified distribution tariff for each category of consumers on the distribution network, starting from 1 December 2024.

The following are the primary tariff components for the business of the Issuer, based on the regulatory framework in force.

End of TARIFF regulatory period	End of the last period: 31 December 2022 End of current period: 31 December 2026 End of the next period: 31 December 2030
Calculation of net invested capital recognised for regulatory purposes (RAB)	Historical cost
Return on net invested capital recognised for regulatory purposes (Nominal pre-tax WACC)	Distribution and Metering 7.45% (year 2020) 7.03% (year 2021-2022) 8.57% (year 2023) 8.38% (year 2024-2026)

REGULATORY – WATER TARIFFS – ITALY

Water service is regulated by ARERA since 2011, when the law decree no. 201/2011, converted in law no. 214/2011, defined it as the authority in charge to regulate water service, electricity and natural gas sectors. Water service regulation is a multi-level regulation because it is structured in a national regulation (ARERA) and a local one (the local authority is named EGA).

Tariffs have to be referred to a regulatory period, with a four-years duration until 2023 (third regulatory period) and with a six-years duration starting from 2024 (fourth regulatory period).

ARERA established a “specific regulatory scheme”, to be adopted by local regulators (EGA) in order to approve the tariff proposal submitted by water service operators with formal update every two-years. This scheme includes the Infrastructure and Management Plan (IMP), the Financial and Economic Plan (FEP) and the Entrustment contract (Convenzione di Gestione). The proposals for the regulatory period are investigated and finally approved also by the national regulator.

Italian water service regulation is based on a full cost recovery principle and it combines different sets of methods, in particular:

- limit on allowed amount of cost recovery expected in one year (revenue cap application);
- limit to annual price variation (price cap application);
- a rolling cap mechanism on endogenous costs that allows the firm to partially earn the gains coming from cost reductions;
- ex post reimbursement of "realized" investments and standardized parameters for the reimbursement of financial and fiscal costs of capital.

During all the regulatory period, each water operator who presents a tariff proposal has to respect a cap for its revenues from water final users. This cap is called VRG (Vincolo ai Ricavi del Gestore) and it’s composed of:

- the sum of the cost of capital (**CAPEX**), made of depreciation costs for assets used only for water service, financial costs and tax charges;
- a component (**FoNI**) in support of new investments which are necessary to reach specific objectives;
- the sum of the operating costs (**OPEX**), such as materials, external services, personnel, taxes, environmental fees and other costs;
- the sum of the environmental and resource costs (**ERC**);
- a balance adjustment component (**Rc**) linked to regulated revenues of the operator for the year (**a-2**).

As in electricity and natural gas sector, water service regulation defines a Regulatory Asset Base (**RAB**) for each operator too and a regulated WACC, based on the Capital Asset Pricing Model, does exist (it is also defined as the sum of financial costs and tax, based on national parameters defined by ARERA). The equity/debt ratio in WACC is set according to regulator guidance; at this time it’s equivalent to 1.

Utility assets considered to define RAB and, in general, to calculate VRG components are those financed by the company, used to provide water and sanitation service only. The Asset Base is evaluated at historical costs, adjusted with inflation.

About OPEX, regulatory schemes allow more favorable tariff adjustment and incentives to operators which have a lower level of per capita OPEX respect to the national average value. Furthermore, endogenous costs follow a Rolling Cap mechanism that allows the firm to partially earn the gains coming from cost reductions.

Water Service Tariffs for the fourth regulatory period: general provisions

With Resolution no. 639/2023/R/idr, published on 28 December 2023, ARERA defined the tariff criteria for water service for the fifth regulatory period (1 January 2024 – 31 December 2029) divided into three infra-periods of two years each. In summary, the Resolution defines that:

- The duration of the fourth regulatory period is six-years. Updates of the tariff provisions are envisaged every two years, according to the methods and criteria to be defined with subsequent resolutions, and a possible infra-period revision of the tariff proposal, upon a reasoned request from the EGA or the water service operator, which may be presented at any time during the regulatory period in case of extraordinary circumstances;
- The formula for calculating the tariff multiplier ϑ (theta) considers the ratio between:
    - the VRG of each year of the regulatory period and
    - the scalar product between the tariffs applied to the year 2023 and the scale variables relating to the year (a-2). In each year, the ratio between the basic tariff multiplier and that relating to the previous year cannot assume a value higher than a cap defined by the national regulator for each regulatory scheme;

- The general structure of the VRG is confirmed as the sum of CAPEX, FoNI, OPEX, ERC, Rc;
- WACC calculated for the first two-year period 2024-2025 is set at 7.13%, including the 1% increase (time lag) recognized to cover the costs deriving from the time lag between the year of realization of the investments a-2 and the year of tariff recognition a;
- Operators have to allocate FoNI exclusively to new investments, in order to achieve the specific objectives identified in the investments program;
- Operating costs are endogenous or updatable;
    - endogenous operating costs: ARERA parametrically determines an efficient cost frontier that operators should reach;
    - Fund for the promotion of innovation in the Integrated Water Service: ARERA provides that for the years 2024-2025 it will be fed with the "efficiency recovery quota" generated by any resulting ΔOpex (by the failure of operators to achieve operational efficiency). This Fund will be used to pay rewards to operators with good performance in the reuse of purified wastewater and in the reduction of electricity produced in favor of self-production.
    - updatable costs: ARERA has revised the criteria for recognizing electricity costs in tariff, introducing a new mechanism aimed at encouraging self-consumption and taking into account the continuing volatility in supply markets.

- Operators could ask for tariff recognition about some categories of operating costs incurred to reach specific purposes (as defined by the same Authority);
- Operators have to consider the following monetary adjustments:
    - expected inflation rate used to calculate the limit on the tariff multiplier and the pre-tax result of operators: 2.7%;
    - inflation rate for updating operating costs, for 2023 and 2024: 4.5% and 8.8%;
    - fixed investment deflators (to be used for the calculation of the tariffs relating to the years 2023 and 2024): 1.034 and 1.028;
- The maximum arrears cost recognized in the tariff – calculated as the 24-month Unpaid Ratio[34] - corresponds to the application to the annual revenues of year a-2 (net of the equalization components invoiced), of the following percentages:
    - 2.4% for operators located in the northern regions of Italy;
    - 3.5% for operators located in the central regions of Italy;
    - 7.9% for operators located in the southern regions of Italy and islands.

[34] The 24-months Unpaid Ratio represents the uncollected portion, measured after an average of 24 months after issuance, of revenue issued during a given year.

TAXATION

GENERAL

Prospective purchasers of Notes are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Notes, including, but not limited to, the consequences of receipt of payments under the Notes and their disposal or redemption.

ITALIAN TAXATION

The following is an overview of current Italian law and practice relating to the taxation of the Notes. The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

Prospective purchasers should be aware that tax treatment depends on the individual circumstances of each Noteholder: as a consequence they should consult their tax advisers as to the consequences under Italian tax law and under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws.

The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. This overview does not describe the tax consequences for an investor with respect to Notes that provide payout linked to the profits of the Issuer, profits of other company of the group or profits of the business in relation to which they are issued.

In any case, Italian legal or tax concepts may not be identical to the concepts described by the same English term as they exist under terms of different jurisdictions and any legal or tax concept expressed by using the relevant Italian term shall prevail over the corresponding concept expressed in English terms.

Law 111/2023, delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform Tax Reform. According to Law 111/2023, the Tax Reform may significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage. The information provided herein may not reflect the future tax landscape accurately (see also "Risk Factors – Tax changes may affect the tax treatment of the Notes").

Interest and other proceeds from Notes that qualify as bonds or instruments similar to bonds

Legislative Decree No. 239 of 1 April 1996 (**Decree No. 239**), as subsequently amended, provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes issued by, *inter alia*, companies with shares listed on an EU or EEA regulated market or multilateral trading facility, falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*).

For these purposes, debentures similar to bonds are defined as securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and which do not grant to the holder any direct or indirect right of participation to (or control of) the management of the issuer.

Italian resident Noteholders

Where an Italian resident Noteholder is the beneficial owner of interest payments under the Notes and is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership), or a *de facto* partnership not carrying out commercial activities or professional association; or (c) a private or public entity (other than companies), a trust not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income including the difference between the redemption amount and the issue price (other than capital gains) (**Interest**) relating to the Notes, accrued during the relevant holding period, are subject to tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. All the above categories are qualified as "net recipients" (unless the Noteholders referred to under (a), (b) and (c) above have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so called "*risparmio gestito*" regime – see the section headed "*Capital Gains Tax*" below). In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Where an Italian resident Noteholder is a company or similar commercial entity pursuant to Article 73 of Presidential Decree No. 917 of 22 December 1986 or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's annual income tax return and are therefore subject to general Italian corporate taxation (**IRES**) and, in certain circumstances, subject to the "*status*" of the Noteholder, also to regional tax on productive activities (**IRAP**).

Italian resident investors who have opted for the "*risparmio gestito"* regime (as defined below) are subject to a 26 per cent. annual substitute tax (the **Asset Management Tax**) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised Intermediary.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into Law No. 410 of 23 November 2001 (**Decree 351**), Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, Italian real estate investment funds created under Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-*bis* of Law No. 86 of 25 January 1994 and Italian real estate SICAFs (the **Real Estate SICAFs**) are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the Real Estate SICAF provided that the Notes are timely deposited with an authorised intermediary. The income of the Italian real estate investment funds or of the Real Estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an Italian investment company with fixed share capital) or a SICAV (an investment company with variable capital) established in Italy (the **Fund**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are held by an authorised intermediary, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders or in case of redemption or sale of the units or shares in the Fund (the **Collective Investment Fund Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) (**Decree No. 252**) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the results of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax (the **Pension Fund Tax**). Subject to certain limitations and requirements (including a minimum holding period), Interest in respect to the Notes may be excluded from the taxable base of the Pension Fund Tax, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *Società di intermediazione mobiliare* (**SIMs**), fiduciary companies, *Società di gestione del risparmio* (**SGRs**), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an **Intermediary**) as subsequently amended and integrated.

An Intermediary to be entitled to apply the *imposta sostitutiva* must (i) be (a) resident in Italy or (b) resident outside Italy, with a permanent establishment in Italy or (c) an entity or a company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239; and (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary meeting the requirements under (i) and (ii) above, the *imposta sostitutiva* is applied and withheld by any entity paying Interest to a Noteholder or, absent that by the Issuer.

Non–Italian resident Noteholders

Where the Noteholder is a non-Italian resident, without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner (certain types of institutional investors are deemed to be beneficial owners by operation of law) is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy, as listed in the Italian Ministerial Decree of 4 September 1996, as amended from time to time (last amendment being made by Italian Ministerial Decree dated 23 March, 2017) and possibly further amended by future decree issued pursuant to Article 11(4)(c) of Decree No. 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the **White List**); or (b) an institutional investor established in a country included in the White List; even if it does not possess the status of taxpayer therein, (c) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (d) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State.

In order to ensure gross payment, non-Italian resident investors must be the beneficial owners of the payments of Interest and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-resident operator of a clearing system having appointed as its agent in Italy for the purposes of Decree No. 239 an Italian resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or a non-Italian resident bank or SIM which are in contact via computer with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set out by Ministerial Decree of 12 December 2001. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

Failure of a non–resident holder of the Notes to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interests payments to such non–resident holder of the Notes.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent to Interest accrued during the holding period, when the Noteholders are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy. The *imposta sostitutiva* may be reduced by applicable double tax treaty, if any.

Fungible issues

Pursuant to Article 11, paragraph 2 of Decree No. 239, where the Issuer issues a new Tranche forming part of a single series with a previous Tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva* (if any), the issue price of the new Tranche will be deemed to be the same as the issue price of the original Tranche. This rule applies where (a) the new Tranche is issued within 12 months from the issue date of the previous Tranche and (b) the difference between the issue price of the new Tranche and that of the original Tranche does not exceed 1 per cent. of the nominal value of the Notes multiplied by the number of years of the duration of the Notes.

Interest and other proceeds from Notes not having 100 per cent. capital protection guaranteed by the Issuer

In case Notes representing debt instruments implying a "use of capital" do not incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for interim payments) and/or they give any right to directly or indirectly participate in the management of the relevant Issuer or of the business in relation to which they are issued and/or any type of control on the management, Interest in respect of such Notes may be subject to a withholding tax, levied at the rate of 26 per cent under Law Decree No. 512 of 30 September 1983.

Where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected, (b) an Italian company or a similar Italian commercial entity, (c) a permanent establishment in Italy of a foreign entity to which the Notes are connected, (d) an Italian commercial partnership or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax; in all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax.

In the case of non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected, the withholding tax may be reduced by the applicable double tax treaty, if any.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes not having 100 per cent. capital protection guaranteed by the Issuer if such Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Capital Gains Tax

Italian resident Noteholders

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (a) an individual not holding the Notes in connection with an entrepreneurial activity, (b) a partnership not carrying out commercial activities, (c) a private or public institution not carrying out mainly or exclusively commercial activities, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, provided for by Legislative Decree No. 461 of 21 November 1997 (the **Decree No. 461**), levied at the rate of 26 per cent.. Under some conditions and limitations, Noteholders may set off losses with gains. In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below:

(a) Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Noteholders under (a) to (c) above, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the relevant Noteholder pursuant to all sales or redemptions of the Notes carried out during any given tax year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in their annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

(b) As an alternative to the tax declaration regime, Noteholders under (a) to (c) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime provided for by Article 6 of the Decree No. 461). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (b) an express election for the *risparmio amministrato* regime being made timely in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes, net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

(c) Any capital gains realised or accrued by Noteholders under (a) to (c) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called *risparmio gestito* regime (regime provided by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, apply or a Real Estate SICAF will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF. The income of the real estate fund or of the real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Any capital gains realised by a Noteholder which is a Fund will be included in the results of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but the Collective Investment Fund Tax, will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders and income realised by unitholders or shareholders in the event of redemption or sale of the units or shares in the Fund.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by Article 17 of the Decree No. 252) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Pension Fund Tax. Subject to certain limitations and requirements (including a minimum holding period), capital gains realised in respect to the Notes may be excluded from the taxable base of the Pension Fund Tax, if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth under Italian law.

Non–Italian resident Noteholders

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes issued by an Italian resident Issuer are not subject to Italian taxation, provided that the Notes are transferred on regulated markets and in certain cases subject to timely filing of required documentation (in the form of a declaration (*autocertificazione*) of non–residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not transferred on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary (certain types of institutional investors are deemed to be beneficial owners by operation of law): (a) is resident in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor established in a country included in the White List, even if it does not possess the status of a taxpayer in its own country of establishment. In order to benefit of the exemption from *imposta sostitutiva* as for the above, all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended have to be met. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the "*risparmio gestito"* regime or are subject to the "*risparmio amministrato*" regime, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate declaration (*autocertificazione*) stating that they meet the requirement indicated above.

If none of the conditions above are met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident issuer are subject to the *imposta sostitutiva* at the current rate of 26 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected, who may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted by Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

(a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(b) transfers in favour of relatives to the fourth degree or relatives-in-law of a direct lineage or after relatives-in-law of a collated lineage up to the third degree are subject to an inheritance and gift tax applied at a rate of 6 per cent on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

(c) any other transfer, in principle, is subject to an inheritance and gift tax applied at a rate of 8 per cent on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

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 from time to time applicable as set forth under Italian law – is exempt from inheritance taxes.

Transfer tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (a) public deeds and notarized deeds are subject to fixed registration tax at rate of €200; (b) private deeds are subject to registration tax only in case of use (*caso d'uso*) or explicit reference (*enunciazione*) or voluntary registration.

Stamp duty

Pursuant to Article 13 par. 2/*ter* of the tariff Part I attached to Presidential Decree No. 642 of 26 October, 1972, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited in Italy. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed €14,000, for taxpayers different from individuals. This stamp duty is determined on the basis of the market value or - if no market value figure is available - the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011, as amended, supplemented and restated from time to time) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory. The communication is deemed to be sent to the customers at least once a year, even for instruments for which it is not mandatory.

Tax Monitoring Obligations

Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions are required to report in their yearly income tax return, according to Law Decree No. 167 of 28 June 1990 converted into law by Law No. 227 of 4 August 1990, as amended from time to time, for tax monitoring purposes, the amount of Notes held abroad during each tax year. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual beneficial owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through their intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

Wealth Tax on securities deposited abroad

According to Article 19(18-23) of Law Decree No. 201 of 6 December 2011, converted by Law No. 214 of 22 December 2011, as subsequently amended, Italian resident individuals, non-commercial entities and partnerships and similar entities holding financial assets – including the Notes – outside of the Italian territory are required to report in their annual tax return and pay a wealth tax at the rate of 0.20 per cent (0.4 per cent., as of 2024, in case of financial assets held in States or territories with privileged tax regime identified by the Ministerial Decree of the Ministry of Economy and Finance of May 4, 1999). This tax is calculated on the market value at the end of the relevant year or, if no market value is available, on the nominal value or redemption value, or where the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held abroad.

The maximum wealth tax amount due is set at €14,000 per year for taxpayers other than individuals. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The financial assets held abroad are excluded from the scope of the wealth tax if administered by Italian financial intermediaries pursuant to an administration agreement.

THE PROPOSED EUROPEAN UNION FINANCIAL TRANSACTION TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the EU FTT.

U.S. FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments)** to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions including the Republic of Italy have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register. Further, Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date and/or characterised as equity for U.S. tax purposes. However, if additional Notes (as described under Condition 14 (*Further Issues*) of the Terms and Conditions of the Notes) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Notes, including those Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 10 July 2025, agreed with the Issuer the basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or, if Category 2 is specified in the Final Terms, to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

If Category 1 is specified in the Final Terms the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S under the Securities Act.

If Category 2 is specified in the final Terms each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the **Resale Restriction Termination Date**) of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes prior to the Resale Restriction Termination Date a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act.

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 (as amended, 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.

Public Offer Selling Restriction under the Prospectus Regulation

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.

United Kingdom

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.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and 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 or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No.228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any application provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Italian CONSOB regulations; or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and any applicable provision of Italian laws and regulation.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

France

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of this Base Prospectus or any other offering material relating to the Notes.

Singapore

Unless the Final Terms in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged (and each further Dealer appointed under the Programme will be required to acknowledge) that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed (and each further Dealer appointed under the Programme will be required to represent, warrant and agree) that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, 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 or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The Final Terms in respect of any Notes may include a legend entitled "Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore" that will state the product classification of the applicable Notes pursuant to Section 309B(1) of the SFA; however, unless otherwise stated in the applicable Final Terms, all Notes shall be prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). This notification or any such legend included in the applicable Final Terms will constitute notice to "relevant persons" for purposes of Section 309B(1)(c) of the SFA.

Switzerland

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA)** and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 6 May 2025.

Legal entity identifier (LEI)

The Legal entity identifier (LEI) of the Issuer is 815600F25FF44EF1FA76.

Admission to Trading and Listing of Notes

Borsa Italiana S.p.A. has issued the declaration of admissibility to listing of the Notes referred to in this Base Prospectus on the MOT, with provision no. 6 of 18 June 2025. The MOT is a regulated market for the purposes of the MiFID II.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection in hard copy from the registered office of the Issuer and from the specified office of the Paying Agent:

(a) the By-laws (*statuto*) (with an English translation thereof) of the Issuer;

(b) the 2023 Financial Report: the audited consolidated annual financial statements of Italgas Group as of and for the financial year ended 31 December 2023 (with an English translation thereof), audited by Deloitte & Touche and containing the auditors' report therein;

(c) the 2024 Financial Report: the audited consolidated annual financial statements of Italgas Group as of and for the financial year ended 31 December 2024 (with an English translation thereof), audited by Deloitte & Touche and containing the auditors' report therein;

(d) the 2025 Quarterly Financial Report: the interim audited consolidated quarterly financial statements of Italgas Group as at and for the three months period ended 31 March 2025 (with an English translation thereof), audited by Deloitte & Touche and containing the auditors' report therein;

(e) the Agency Agreement;

(f) a copy of this Base Prospectus;

(g) any future base prospectuses, prospectuses, information memoranda, supplements and Final Terms to this Base Prospectus and any other documents incorporated herein or therein by reference;

(h) the Sustainability-Linked Bond Framework Second-party Opinion and any Second-party Opinions (once published); and

(i) the Sustainability-Linked Bond Framework and any framework in relation to Green Bonds and/or Social Bonds and/or Sustainability Bonds (once published).

The documents listed above in paragraphs (a) to (i) will be available on the following dedicated section of the Issuer's website from www.italgas.it/en/investors/bond-investors/consob-emtn-programme/ once published.

Clearing Systems

The Notes have been accepted for clearance by Monte Titoli. The Notes will be in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli, for the account of the relevant Monte Titoli Account Holders. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information. The appropriate Common Code, ISIN, CFI and FISN for each Tranche of Notes will be specified in the applicable Final Terms.

The registered office and principal place of business of Monte Titoli S.p.A. is Piazza degli Affari 6, 20123 Milan, Italy.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Adverse Change

Save as disclosed in the section entitled "*Description of the Issuer*", paragraph "*Group Structure*" at pages 142 to 144, there has been no significant change in the financial performance or position of the Italgas Group since 31 March 2025 and no material adverse change in the financial position or prospects of the Italgas Group since 31 December 2024.

Litigation

Save as disclosed in the section entitled "*Material Litigation*" at pages 151 to 158 of this Base Prospectus, neither the Issuer nor any other member of the Italgas Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Italgas Group**.**

Independent Auditors

On 12 May 2020, the Shareholders' Meeting of the Issuer appointed Deloitte & Touche S.p.A. (**Deloitte & Touche**) as independent auditors of the Issuer for the nine-year period from 2020 to 2028.

Deloitte & Touche is a member of ASSIREVI, the Italian association of auditing firms.

Deloitte & Touche is authorised and regulated by the Italian Ministry of Economy and Finance (MEF) and registered on the special register of auditing firms held by the MEF.

The registered office of Deloitte & Touche is at Via Santa Sofia 28, Milan, 20122, Italy.

Post-issuance information

The Issuer will not provide any post-issuance information, except if required by any applicable laws and regulations.

Website

The dedicated section of the Issuer's website is www.italgas.it/en/investors/bond-investors/consob-emtn-programme/. The information on such website does not form part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus. Other than the information incorporated by reference, the content of the Italgas website has not been scrutinised or approved by the competent authority.

Any information contained in any other website specified in this Base Prospectus does not form part of this Base Prospectus, except where that information has been incorporated by reference into this Base Prospectus

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in financing, lending activities, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and/or its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. Moreover, part of the proceeds derived from issuances of Notes under the Programme might be used to repay previous loans granted to the Issuer by some of the Dealers and their affiliates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purposes of this paragraph the term "affiliates" includes parent companies.

BNP PARIBAS, Italian Branch as Paying Agent Information

BNP PARIBAS, Italian Branch being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP PARIBAS group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Italy.

ANNEX 1 - FURTHER INFORMATION RELATED TO INFLATION LINKED NOTES

The Issuer can issue Notes which are linked to an index pursuant to the Programme, where the underlying index is the CPI or the Eurozone Harmonised Index of Consumer Prices excluding Tobacco as defined below.

CPI or **ITL – Inflation for Blue Collar Workers and Employees - Excluding Tobacco Consumer Price Index Unrevised** (**CPI – ITL**) means, subject to the Conditions, the "*Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI), senza tabacchi*" as calculated on a monthly basis by the *ISTAT - Istituto Nazionale di Statistica* (the Italian National Institute of Statistics) (the **Index Sponsor**) which appears on Bloomberg Page ITCPIUNR (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying the level of such index) (the **Reference Source**), provided that for the purposes of the calculation of the Rate of Interest and the Final Redemption Amount, the first publication or announcement of a level of the inflation Index (excluding estimates) by the Index Sponsor for a given month shall be final and conclusive and later revisions of the level for such month will not be used in any calculations.

Information about the CPI – ITL can be obtained from the website of the Index Sponsor which will be indicated in the applicable Final Terms.

Eurostat Eurozone Harmonised Indices of Consumer Prices excluding Tobacco Unrevised Series Non Seasonal Adjusted

The Eurozone Harmonised Index of Consumer Prices excluding Tobacco (HICP), as calculated and published by EUROSTAT and the national statistical institutes in accordance with harmonised statistical methods (the **HICP**) is an economic indicator constructed to measure the changes over time in the prices of consumer goods and services acquired by households in the Eurozone. Following the Maastricht Treaty, the HICPs have been used as convergence criteria and the main measure for monitoring price stability by the European Central Bank in the Euro area, as well as for use on international comparison.

HICP is the aggregate of the EU Member States' individual harmonised index of consumer prices excluding tobacco (**Individual HICP**). Each country first publishes its Individual HICP in conjunction with its consumer price index. Thereafter, Eurostat aggregates the Individual HICPs and publishes an HICP for the Eurozone, as well as a breakdown by item and by country. In any specific year, each country's weight in the HICP for the Eurozone equals the share that such country's final household consumption constitutes within that of the Eurozone as a whole for the year that is prior to that specified year. These weights are re-estimated every year in the January publication of the HICP.

HICP is said to be harmonised because the methodology and nomenclatures for the index of prices are the same for all of the countries in the Eurozone and the European Union. This makes it possible to compare inflation among different EU Member States of the European Union. Emphasis is placed on the quality and comparability of the various countries' indices.

HICP is calculated as an annual chain-index, which makes it possible to change the weights every year. This also makes it possible to integrate new entrants, as in the case of Greece in January 2001. If a new entrant is integrated in a specific year, it is included in the Eurozone HICP starting from January of that year. The new EU Member State's weight is included in the annual revaluation of the HICP.

HICP is published every month on Eurostat's internet site, according to a pre-determined official timetable. Publication generally occurs around the 14th – 16th day of the following month. If a revision is made, it is published with the HICP of the following month.

Base Year Change

In Europe, the national statistics institutes change the base year of their price indices every 5 to 10 years. This procedure is necessary to ensure that the index follows changes in the consumption pattern through a new consumer spending nomenclature. The resetting of the base generally accompanies changes in the definition of household consumption that occur when the national accounting system is modified. Since 2006, the index reference period has been set to 2005 = 100. In order to obtain a common price reference period, too, the weights for each year are "price updated" to December of the previous year.

More information on the HICP, including past and current levels, can be found at: *http://ec.europa.eu/eurostat/web/hicp/overview*.

ISSUER

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