A2A S.p.A.

(*incorporated with limited liability in the Republic of Italy*)

€750,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities

Issue price: 99.460 per cent.

The €750,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities (the **Securities**) will be issued by A2A S.p.A. (the **Issuer** or **A2A**) on 11 June 2024 (the **Issue Date**).

The Securities will bear interest on their principal amount (a) from (and including) the Issue Date to (but excluding) 11 September 2029 (the **First Reset Date**), at the rate of 5.000 per cent. per annum, payable annually in arrear on each Interest Payment Date, commencing on 11 September 2024, (b) from (and including) the First Reset Date to (but excluding) the date of any redemption or repurchase pursuant to Condition 7 (*Redemption and Purchase*) of the Terms and Conditions of the Securities, at, in respect of each Reset Period, the relevant EUR 5 year Swap Rate plus: (A) in respect of the Reset Period commencing on the First Reset Date and ending on but excluding the Reset Date falling on 11 September 2034 (the **First Reset Period**), 2.258 per cent. per annum, (B) in respect of the Reset Periods commencing on or after 11 September 2034 and ending on but excluding the Reset Date falling on 11 September 2049 (the **Second Reset Period**), 2.508 per cent. per annum and (C) in respect of the Reset Periods commencing on or after 11 September 2049 and any Reset Period following thereafter (the **Third Reset Period**), 3.258 per cent. per annum. Interest on the Securities will be payable annually in arrear on 11 September in each year (each an **Interest Payment Date**) commencing on 11 September 2024.

Payments of interest on the Securities may be deferred at the option of the Issuer in certain circumstances, as set out in Condition 4 of Terms and Conditions of the Securities.

The Securities will be issued in bearer form, with interest coupons appertaining to the Securities (the **Coupons**) and one talon for further interest coupons (the **Talon**) attached on issue, each pursuant to a fiscal agency agreement dated 11 June 2024 between the Issuer and Citibank Europe plc as fiscal agent (the **Fiscal Agent**) and the other agents named in the agency agreement (the **Agency Agreement**). The Securities will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof, up to and including €199,000.

The Securities will be perpetual securities and have no fixed date for redemption. Unless previously redeemed or purchased and cancelled by the Issuer as provided below, the Securities will become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date (as defined below) and any outstanding Arrears of Interest on the date on which a winding up, dissolution or liquidation of the Issuer (other than for the purpose of a Permitted Reorganisation) is instituted (the **Liquidation Event Date**), including in connection with any Insolvency Proceedings (each such term as defined in the Terms and Conditions of the Securities), in accordance with (i) any applicable legal provision, or any decision of any judicial or administrative authority, or (ii) any resolution passed at a shareholders' meeting of the Issuer or (iii) any provision which is set out in the by-laws of the Issuer from time to time (including the maturity of the Issuer which, as of the Issue Date, is set in its by-laws at 31 December 2100).

The Issuer may redeem all (but not some only) of the Securities on any Call Date at their principal amount together with any interest accrued up to (but excluding) the applicable Call Date and any outstanding Arrears of Interest. See "*Terms and Conditions of the Securities – Redemption and Purchase – Optional Redemption*".

The Issuer may also redeem all (but not some only) of the Securities at the applicable Early Redemption Price at any time upon the occurrence of a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event or an Accounting Event (each as defined in the Terms and Conditions of the Securities). See "*Terms and Conditions of the Securities – Redemption and Purchase – Early Redemption following a Withholding Tax Event*", "*Terms and Conditions of the Securities – Redemption and Purchase – Early Redemption following a Tax Deductibility Event*", "*Terms and Conditions of the Securities – Redemption and Purchase – Early Redemption following a Rating Methodology Event*" and "*Terms and Conditions of the Securities – Redemption and Purchase – Early Redemption following an Accounting Event*".

The Issuer may redeem all (but not some only) of the Securities on any day prior to 11 June 2029 (the date falling 3 months before the First Reset Date) at the Make-whole Redemption Amount (as defined in the Terms and Conditions of the Securities). See "*Terms and Conditions of the Securities – Redemption and Purchase – Make-whole Redemption at the Option of the Issuer*".

In the event that at least 75 per cent. of the aggregate principal amount of the Securities issued on the Issue Date has been purchased by or on behalf of the Issuer or a Subsidiary (as defined in the Terms and Conditions of the Securities) and cancelled, the Issuer may redeem all, but not some only, of the outstanding Securities at the applicable Early Redemption Price. See "*Terms and Conditions of the Securities – Redemption and Purchase – Purchases and Substantial Repurchase Event*".

The Securities and the Coupons, including the obligations of the Issuer in respect of any Arrears of Interest, constitute direct, unsecured and subordinated obligations of the Issuer and rank and will at all times rank *pari passu* without any preference among themselves and with the Issuer's payment obligations in respect of any Parity Securities and senior only to the Issuer's payment obligations in respect of any Junior Securities (each as defined in the Terms and Conditions of the Securities). The Securities constitute *obbligazioni* pursuant to Article 2410 *et seq.* of the Italian Civil Code. The Securities will not be guaranteed.

This Prospectus has been approved as a prospectus by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority under Regulation (EU) 2017/1129 (as amended) (the **Prospectus Regulation**). The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Securities. Investors should make their own assessment as to the suitability of investing in the Securities.

The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for the Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU, as amended (**MiFID II**).

This Prospectus will be valid for 12 months from its date until 7 June 2025. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy will not apply when this Prospectus is no longer valid. For this purpose, "valid" means valid for making offers to the public or admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement this Prospectus is only required within its period of validity between the time when this Prospectus is approved and the closing of the offer period for the Securities or the time when trading on a regulated market begins, whichever occurs later.

The Securities are expected to be rated "Ba1" by Moody's France SAS (**Moody's**) and "BB+" by S&P Global Ratings Europe Limited (**S&P**). Each of Moody's and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. The rating Moody's has given to the Securities is endorsed by Moody's Investors Service Ltd, which is established in the UK and registered under Regulation (EC) No. 1060/2009 on credit rating agencies as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA) (the **UK CRA Regulation**). The rating S&P has given to the Securities is endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation.

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. A suspension, reduction or withdrawal of the rating assigned to the Securities may adversely affect the market price of the Securities.

The determination of the Prevailing Interest Rate in respect of the Securities is dependent upon the EUR 5 year Swap Rate appearing on the Thomson Reuters Screen Page "ICESWAP2/EURSFIXA" provided by ICE Benchmark Administration Limited and the 6-month EURIBOR rate administered by the European Money Markets Institute. As at the date of this Prospectus, the European Money Markets Institute is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to Article 36 of Regulation (EU) No 2016/1011, as amended (the **Benchmarks Regulation**). ICE Benchmark Administration Limited does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. However, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that ICE Benchmark Administration Limited is not currently required to obtain recognition, endorsement or equivalence.

The Securities will initially be represented by a temporary global security (the **Temporary Global Security**), without Coupons, which will be deposited on or about the Issue Date with a common depositary for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**). Interests in the Temporary Global Security will be exchangeable for interests in a permanent global security (the **Permanent Global Security** and, together with the Temporary Global Security, the **Global Securities**), without Coupons, on or after 21 July 2024 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Security will be exchangeable for definitive Securities only in certain limited circumstances – see "*Overview of Provisions relating to the Securities in Global Form*".

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and are subject to U.S. tax law requirements. The Securities 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 unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. For a further description of certain restrictions on the offering and sale of the Securities and on distribution of this document, see "*Subscription and Sale*" below.

An investment in the Securities involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" on page 14.

Structuring Agents to the Issuer and Global Coordinators

BNP PARIBAS	**Goldman Sachs International**	**J.P. Morgan**
	UniCredit	

Joint Lead Managers

BBVA	**BNP PARIBAS**
BofA Securities	**Citigroup**
Crédit Agricole CIB	**Goldman Sachs International**
IMI – Intesa Sanpaolo	**J.P. Morgan**
Mediobanca	**Morgan Stanley**
Santander Corporate & Investment Banking	**Société Générale Corporate & Investment Banking**

UniCredit

The date of this Prospectus is 7 June 2024

IMPORTANT INFORMATION

This Prospectus comprises a prospectus for the purposes of Article 6(3) of the Prospectus Regulation. When used in this Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129, as amended.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In respect of information in this Prospectus that has been extracted from a third party, 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 third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Prospectus shall be read and construed on the basis that such documents are incorporated by reference and form part of this 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 Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the CSSF.

None of the Joint Lead Managers (as defined in "*Subscription and Sale*") or BNP PARIBAS, Goldman Sachs International, J.P. Morgan SE and UniCredit Bank GmbH as structuring agents to the Issuer and global coordinators (the **Structuring Agents and Global Coordinators**) nor any of their respective affiliates (including parent companies) have 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 Joint Lead Managers and the Structuring Agents and Global Coordinators or any of their respective affiliates (including parent companies) as to the accuracy or completeness of the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and offering of the Securities. None of the Joint Lead Managers, the Structuring Agents and Global Coordinators nor any of their respective affiliates (including parent companies) accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the issue and offering of the Securities.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the issue and offering of the Securities 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 Joint Lead Managers and/or the Structuring Agents and Global Coordinators.

Neither this Prospectus nor any other information supplied in connection with the issue and offering of the Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any Joint Lead Manager or any Structuring Agent and Global Coordinator that any recipient of this Prospectus or any other information supplied in connection with the issue and offering of the Securities should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issue and offering of the Securities constitutes an offer or invitation by or on behalf of the Issuer or any Joint Lead Manager or any Structuring Agent and Global Coordinator to any person to subscribe for or to purchase any Securities.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Securities 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 issue and offering of the Securities is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers and/or the Structuring Agents and Global Coordinators expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Securities or to advise any investor in the Securities of any information coming to their attention.

This Prospectus does not constitute an offer to sell or the solicitation of an offer, or an invitation, to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer, the Joint Lead Managers and the Structuring Agents and Global Coordinators do not represent that this Prospectus may be lawfully distributed, or that any Securities 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, the Joint Lead Managers or the Structuring Agents and Global Coordinators which is intended to permit a public offering of any Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this 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 Prospectus or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Securities in the United States, the EEA (including, for these purposes, without limitation, the Republic of Italy and Belgium), the United Kingdom, Japan, Singapore and such other restrictions as may be required in connection with the offering and sale of the Securities. See "*Subscription and Sale*".

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (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 Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS

The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (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 UK domestic law by virtue of the EUWA (**UK MiFIR**). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (**UK PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

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

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any distributor (as defined above) should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

SUITABILITY OF INVESTMENT

The Securities may not be a suitable investment for all investors. Each potential investor in the Securities 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 Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this 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 Securities and the impact the Securities 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 Securities, including Securities 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 Securities 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 legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal and tax advisers to determine whether and to what extent (1) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal and tax advisors or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

Presentation of Financial Information

The Group's financial information as at and for the years ended 31 December 2022 and 31 December 2023 included in this Prospectus has been derived from the audited consolidated financial statements of the Group for the financial years ended 31 December 2022 and 31 December 2023. English translation of such consolidated financial statements are incorporated by reference herein (see "*Documents Incorporated by Reference*") and have been prepared in accordance with:

- Article 154-*ter* of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and CONSOB Regulation No. 11971 of 14 May 1999, as amended (**Regulation No. 11971**); and

- International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standard Board (**IASB**) as endorsed by the European Union. IFRS means the International Financial Reporting Standards, all the revised international accounting standards (**IAS**) and all the interpretations of the International Financial Reporting Interpretations Committee (**IFRIC**), formerly known as the Standing Interpretations Committee (**SIC**).

- The accounting principles applied in preparing the Group's audited consolidated financial statements as at and for the year ended 31 December 2022 and 31 December 2023 are the same as those used to prepare the Group's audited consolidated financial statements as at and for the year ended 31 December 2021, except for:

    - the amendments to IFRS 3 – *Business Combination* – IAS 16 – *Property, Plant and Equipment* – IAS 37 – *Provisions, Contingent, Liabilities and Contingent Assets* – IFRS 1 – *First-time Adoption of International Financial Reporting Standards* – IFRS 9 – *Financial Instruments* – IAS 41 – *Agriculture* – effective from 1 January 2022 with no significant impact on the Group's consolidated financial statement.

    - the amendments to IAS 1 – *Presentation of the Financial Statements* – IAS 8 – Accounting Policies, changes in accounting estimates and errors – IAS 12 *Income Taxes* – IFRS 17 *Insurance contracts – Business Combination* – IAS 16 – *Property, Plant and Equipment* – IAS 37 – *Provisions, Contingent, Liabilities and Contingent Assets* – IFRS 1 – *First-time Adoption of International Financial Reporting Standards* – IFRS 9 – *Financial Instruments* – IAS 41 – *Agriculture* – effective from 1 January 2023 with no significant impact on the Group's consolidated financial statement.

Alternative Performance Measures

This Prospectus and the documents incorporated by reference contain certain alternative performance measures (**APMs**) which differ from the IFRS-EU financial indicators adopted by the Group and presented in the audited consolidated financial statements as at and for the years ended, respectively, 31 December 2022 and 31 December 2023 and the press release dated 14 May 2024 headed "A2A, Results as at March 31, 2024" relating to the certain unaudited consolidated interim data of A2A for the three month period ended 31 March 2024.

Such APMs are extracted directly from, respectively, the audited consolidated financial statements as at and for the years ended, respectively, 31 December 2022 and 31 December 2023 and the press release dated 14 May 2024 headed "A2A, Results as at March 31, 2024" and are useful to present the results more efficiently and to analyse the financial performance of the A2A Group. In particular, APMs, as well as comparatives with the previous period, are included, *inter alia*, in the section headed "*Consolidated results and report on operation*" of the report on operation for the financial year ended 31 December 2022 and 31 December 2023 (the **Report on Operation 2022** and **Report on Operation 2023**).

On 3 December 2015, CONSOB (*Commissione Nazionale per le Società e la Borsa*, the Italian securities and exchange commission) issued Communication No. 92543/15 that acknowledged the Guidelines issued on 3 October 2015 by ESMA concerning the presentation of APMs disclosed in regulated information and prospectuses published as from 3 July 2016 (the **Guidelines**). The Guidelines – which update the previous CESR Recommendation (CESR/05-178b) – are aimed at promoting the usefulness and transparency of APMs in order to improve their comparability, reliability and comprehensibility. In addition, ESMA also published a Questions and Answers (Q&A) document on the Guidelines, last updated on 1 April 2022, to promote common supervisory approaches and practices in the application of the Guidelines.

In line with the Guidelines, the definitions, contents, basis of calculation and criteria used to construct the APMs adopted by the A2A Group are described below.

Gross operating income (or EBITDA or Gross operating margin)

Gross operating margin (otherwise referred to as **EBITDA** or **Gross operating income**) is an alternative indicator of operating performance, calculated as "Net operating income" (otherwise referred to as **EBIT**) plus "Depreciation, amortization, provisions and write-downs".

Ordinary EBITDA is an operating performance indicator, calculated as EBITDA net of non-recurring items (the **Ordinary EBITDA**).

This APM is used by A2A as financial target in presentations both within the A2A Group (Business Plans) and externally (such financial analysts and investors presentations); it represents a useful measure to assess the operating performance of the A2A Group (both as a whole and in terms of individual Business Unit), also through a comparison between the operating results of the reporting period with those relating to previous periods or years. Furthermore, such measure allows A2A to conduct analysis on operational trends and measure performance in terms of operational efficiency over time.

Result from non-recurring transactions

The **Result from non-recurring transactions** is an alternative performance measure designed to highlight the capital gains/losses arising from the valuation at fair value of non-current assets sold and the results from the sale of equity investments in unconsolidated subsidiaries and associated companies and other non-operating income/expenses.

This measure is positioned between net operating income and the financial balance. In this way, net operating income is not affected by non-recurring operations, making it easier to measure the effective performance of the Group's ordinary operating activities.

Net fixed capital

The **Net fixed capital** is determined as the algebraic sum of:

– tangible assets;

– intangible assets;

– capex accounted for using the equity method and other non-current financial assets;

- other non-current assets and liabilities;
- deferred tax assets and deferred tax liabilities;
- provisions for risks, charges and liabilities for landfills;
- employee benefits.

This APM is used by the A2A Group as a financial target in presentations both within the Group (business plans) and externally (presentations to financial analysts and investors); it represents a useful measure of the net fixed assets of the A2A Group as a whole, also through the comparison between the reporting period with those relating to the previous periods or years. Furthermore, such indicator allows A2A to conduct analyses on operational trends and measure performance in terms of operational efficiency over time.

Net Working Capital and Other Current Assets/Liabilities

Net Working Capital is determined as the algebraic sum of:

- Inventories;
- trade receivables;
- trade payables;

Other current assets/liabilities include:

- other current assets;
- other current liabilities;
- current tax assets / tax liabilities.

This APM is used by the A2A Group as a financial target in presentations both within the Group (business plans) and externally (presentations to financial analysts and investors); it represents a useful measure of the ability to generate cash flow from operations within a period of twelve months, also through the comparison between the reporting period with those relating to previous periods or years. Furthermore, such indicator allows A2A to conduct analyses on operational trends and measure performance in terms of operational efficiency over time.

Invested Capital / Net invested capital

The **Invested Capital /Net Invested capital** is calculated as the sum of Net fixed capital, Net working capital and Assets/Liabilities held for sale.

This APM is used by the A2A Group as the financial target in presentations both within the Group (business plans) and externally (presentations to financial analysts and investors); it represents a useful measure for the evaluation of total net assets, both current and fixed.

Sources of funds

The **Sources of funds** are calculated as the sum of the "Shareholders’ Equity" and "Total Net Financial Position".

This APM is used by the A2A Group as a financial target in presentations both within the Group (business plans) and externally (presentations to financial analysts and investors); it represents the various sources by means of which the A2A Group is financed and the degree of autonomy that the A2A Group has in comparison with third party capital. Furthermore, it also allows measuring the financial strength of the A2A Group.

Net financial position/Net debt

Net financial position/Net debt is an indicator of the financial structure, calculated as the sum of net financial position beyond one year and net financial position within one year. Specifically, total net financial position beyond one year is obtained from the algebraic sum of:

- Total medium and long-term debt: the item includes the non-current portion of Bonds, Bank loans, Finance leases and Other non-current liabilities. Pursuant to the new ESMA recommendations, this item should also include the non-current portion of trade payables and other non-interest-bearing payables with a significant implicit financing component (payables with maturities of over 12 months);
- Total medium and long-term financial receivables: this item contains Non-current financial assets (including those with related parties) and Other non-current assets.

Total net financial position within one year is derived from the algebraic sum of:

- Total short-term debt: this item includes the portion due within twelve months of Bonds, Bank loans, Finance leases, Current financial liabilities to related parties and Other current liabilities;
- Total short-term financial receivables: this item includes Other current financial assets (including to related parties) and Other current assets;
- Cash and cash equivalents and Cash and cash equivalents included in assets held for sale.

This APM is used by the A2A Group as financial target in presentations both within the Group (business plans) and externally (presentations to financial analysts and investors) and it is useful for the purposes of measuring the Group's financial debt, also through the comparison between the reporting period with those relating to previous periods or years.

The A2A Group’s net financial position is calculated in accordance with Recommendations ESMA32-382-1138 of March 4, 2021.

Investments in tangible and intangible assets (or Gross investments or Capex in tangible and intangible assets)

The **Investments in tangible and intangible assets** (otherwise referred to as **Gross investments**) are extrapolated from the information included in the notes to the Balance Sheet.

This APM is used by the A2A Group as financial target in presentations both within the Group (business plans) and external (presentations to financial analysts and investors) and is a useful measure of the resources used in the maintenance and development of the investments of the A2A Group (as a whole and in terms of individual Business Unit), also through the comparison between the reporting period with those relating to previous periods or years. This allows A2A to conduct analyses on investment trends and measure performance in terms of operational efficiency over time.

Special Items

Special Items are non-recurring events that occurred during the year and had an effect on the consolidated income statement.

Ordinary Net Result (Ordinary Net Profit)

The Ordinary Net Result is calculated by excluding the impact of Special Items from each item in the Income Statement.

ROI

ROI, or return on net invested capital, is the ratio of net operating margin to net invested capital. It aims to measure the ability to generate wealth through operations and thus to remunerate equity and debt capital.

ROE

ROE, i.e. return on equity, is the ratio of ordinary net result to equity. It is intended to measure the profitability obtained by risk investors.

Investors should not place undue reliance on these APMs and should not consider any APMs as: (i) an alternative to operating or net profit as determined in accordance with IFRS; (ii) an assessment of the Group's ability to meet cash needs alternative to as deduced from the cash flow from operating, investing or financing activities (as determined in accordance with IFRS); or (iii) an alternative to any other performance indicator provided by IFRS.

The APMs described above have been derived from historical financial information of the A2A Group and are not intended to provide an indication on the future financial performance, financial position or cash flows of the A2A Group itself. Furthermore, such APMs have been calculated consistently throughout the periods for which financial information is presented in this Prospectus.

APMs presented in this Prospectus, in the consolidated financial statements as at and for the years ended 31 December 2022 and 31 December 2023 and the press release dated 14 May 2024 headed "*A2A, Results as at 31 March 2024*" (each of which incorporated in this Prospectus, see "*Documents incorporated by Reference*") should be also read in conjunction with the financial information presented or incorporated by reference in this Prospectus and derived from the audited consolidated financial statements for the years ended 31 December 2022 and 31 December 2023.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Prospectus will have the meaning attributed to them in the section headed "*Terms and Conditions of the Securities*" or any other section of this Prospectus.

Presentation of Other Information

In this Prospectus:

- all references to **U.S. dollars**, **U.S.$** and **$** refer to United States dollars;
- all references 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;
- certain figures have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them;
- certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law;
- unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Forward-Looking Statements

This 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.

Important notice relating to "Green Bonds"

In May 2021, A2A adopted a sustainable finance framework combining both use of proceeds principles and sustainability-linked principles (as supplemented, revised or updated from time to time, the **Sustainable Finance Framework**). The Sustainable Finance Framework was updated in February 2022. In May 2021, the Sustainable Finance Framework was reviewed by Vigeo Eiris which provided a second-party opinion confirming the alignment of the Sustainable Finance Framework with the Green Bond Principles (the **GBP**) and the Sustainability-Linked Bond Principles (the **SLBP**) administered by the International Capital Markets Association (**ICMA**) and the Green Loan Principles (the GLP) and the Sustainability-Linked Loan Principles (the **SLLP**) administered by the Loan Market Association (**LMA**) (as supplemented, revised or updated from time to time, the **Second-party Opinion**). The Second-party Opinion was updated in February 2022.

Any information in the Second Party Opinion is not part of this Prospectus and should not be relied upon in connection with making any investment decision with respect to the Securities. In addition, no assurance or representation is given by the Issuer, the Joint Lead Managers, the Structuring Agents and Global Coordinators or any of their respective affiliates (including parent companies), the provider of such Second Party Opinion or the independent auditors as to the suitability or reliability for any purpose whatsoever of the Second Party Opinion in connection with the Securities. The 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 Prospectus.

None of the Joint Lead Managers or the Structuring Agents and Global Coordinators, nor any of their respective affiliates (including parent companies), accept any responsibility for any environmental or sustainability assessment of the Securities or make any representation or warranty or gives any assurance as to whether the Securities will meet any investor expectations or requirements regarding any "green", "sustainable" or similar labels. None of the Joint Lead Managers, the Structuring Agents and Global Coordinators nor any of their respective affiliates (including parent companies) have undertaken, nor are they responsible for, any verification or assessment of the Eligible Green Projects, nor are they responsible for the use of proceeds for the Securities, nor the impact or monitoring of such use of proceeds or the allocation of the proceeds to particular Eligible Green Projects. None of the Joint Lead Managers, the Structuring Agents and Global Coordinators, nor any of their respective affiliates (including parent companies) will verify or monitor the use of proceeds of the Securities. Prospective investors should have regard to the information set out in this Prospectus regarding use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in the Securities, together with any other investigation such investor deems necessary. No assurance can be given by the Issuer, the Joint Lead Managers, the Structuring Agents and Global Coordinators or any of their respective affiliates (including parent companies) that the use of the proceeds deriving from the issue of the Securities for any Eligible Green Projects which have been defined in accordance with the broad categorisation of eligibility for green projects set out by the ICMA GBP 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 by any present or future applicable law, regulations, standards (including Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (including the supplemental delegated regulations thereto) (the **EU Taxonomy Regulation**) or Regulation (EU) 2023/2631 of the European Parliament and of the Council of November 22, 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (including supplemental delegated regulations thereto) (the **EU Green Bond Standard Regulation**)) 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 of any projects or uses the subject of, or related to, any Eligible Green Projects.

For further information on any such "green", "sustainable" or similar aspects, including on the Issuer's Sustainable Finance Framework, reference is made to the "*Use of Proceeds*" section of this Prospectus.

Reference is also made to the risk factors as disclosed in this Prospectus, in particular to the risk factor "*There can be no assurance that the use of proceeds of the Securities and the Eligible Green Projects will be suitable for the investment criteria of an investor*" in "*Risks related to the structure of the Securities*".

Stabilisation

In connection with the issue of the Securities, Goldman Sachs International (the Stabilisation Manager) (or persons acting on its behalf) may over-allot Securities or effect transactions with a view to supporting the market price of the Securities 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 Securities 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 Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or person(s) acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities. All 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 the Securities are described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Securities may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER AND THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES

(A) The material risks that are specific to the Issuer and that may affect the Issuer's ability to fulfil its obligations under the Securities have been classified into the following categories:

1. Regulatory risks;
2. Financial risks;
3. Business activities and industry risks; and
4. Risk related to the Russia-Ukraine conflict and to tensions in the Middle East.

1. REGULATORY RISKS

Adverse evolution of the regulated environment in which the Group operates.

The Group operates in a highly regulated environment, which has and is expected to continue to have a material impact on the performance of the Group. Changes in applicable legislation and regulations, whether at a national or European level, as well as in the regulation of the competent regulatory agencies, including the Italian Regulatory Authority for Energy, Networks and Environment (*Autorità di Regolazione per Energia, Reti e Ambiente – ARERA*)[1], could negatively affect the Group's operations, revenues, margins and return on assets, for both existing operations and planned future developments.

The Group's regulated activities are dependent on, and governed by, concessions, licenses and other permits

The Group's regulated activities are dependent on concessions from national and local authorities (integrated water service, natural gas distribution, waste management, public lighting, hydroelectric plants, electricity distribution). No assurances can be given that A2A or any member of the Group will maintain or renew existing concessions, or enter into new concessions in new areas allowing the Group to carry on its core business after the expiry of each relevant concession, nor that any new concessions entered into or renewed will be on terms as good as those of its current concessions. As at the date of this Prospectus, the main issues related to the Group's concessions are the following:

[1] The Law No. 205 of 27 December 2017 (2018 Budget Law) extended the regulatory and control powers of the Authority for Electricity, Gas and the Water System (AEEGSI, now ARERA) to the waste cycle, including separated, urban and similar waste.

- the integrated water service concession in the province of Brescia (currently managed by the A2A Group) which the Board of Directors of the competent EGA (*Ente di Governo dell'Ambito*) has assigned to Acque Bresciane S.r.l. (a total public company). Acque Bresciane S.r.l. will take over the management of the integrated water service only upon payment to the A2A Group of the residual takeover value of the concessions;
- the large-scale concessions held by the Group in Valtellina, for a nominal concession power of approximately 200 MW, which have expired and are currently managed under a "temporary continuation" regime. The rules introduced by the Ddl Concorrenza 2022 give powers and authority to set regulations, procedures and criteria for awarding concessions to the Regions, which may be entrusted to private economic operators identified by tender, or to both public and private companies. The law of the Lombardy Region, establishing criteria for tendering and providing that tenders must be launched by 31 December 2023, was published in April 2020 (Regional Law 8 April 2020, n. 5); the Italian Government has recently tried to introduce an amendment to the Law Decree No. 215 of 30 December 2023 converted into Law no. 18/2024 (so-called Milleproroghe) in order to postpone the tenders for 12 months but the Lombardy Region has started the tender procedure for the small hydroelectric plant of Resio. Even if A2A contested the invitation to tender, uncertainty remains how the new procedures, criteria and scheduling will operate for awarding concessions and how the authority will ultimately be granting any future concessions.

Furthermore, each concession is governed by agreements with the relevant grantor requiring the relevant concession holder to fulfil certain obligations (including performing regular maintenance). 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, if such failure is left unremedied, could lead to early termination of the concession by the grantor. Furthermore, in accordance with general principles of Italian law, a concession can be terminated early for reasons of public interest. In either case, the relevant concession holder might be required to transfer all of the assets relating to the operation of the concession to the grantor or to the incoming concession holder. In the case of early termination of a concession, the concession holder might be entitled to receive a compensation amount determined in accordance with the terms of the relevant concession-agreement. However, there can be no assurance that any amount due, if any, to the relevant member of the Group will be actually paid and/or timely paid and/or will be adequate compensation for the loss of the relevant concession and disposal of the related assets. Furthermore, disputes often arise between the parties regarding the quantification of the indemnity due to the former concession holder, which can have an impact on the Group's business plan and activity.

Any of such events affecting the concessions, licenses and/or other permits of the Group could adversely affect the Group's business, results of operations and financial condition.

The Group is exposed to revision of tariffs in waste, water and distribution networks sectors

The Group operates, *inter alia*, in the waste, water and distribution networks sectors and is exposed to a risk of variation of the relevant tariffs. The tariffs are determined and adjusted by the relevant authorities and may be subject to variations as a consequence of periodic revisions resulting from investigations by the relevant authority concerning, *inter alia*, efficiency improvements and the actual implementation of planned investments by the companies managing the related service.

As far as concern electricity distribution, ARERA has introduced a new tariff regulation (“ROSS-base” regulation - Regolazione per Obiettivi di Spesa e di Servizio) that will unfold its effects until 31 December 2025. Gas distribution remuneration system will also be affected by this regulation, but from the 1 January 2026 on. In the same year (2026), further updates are expected to be introduced by the tariff regulation called “ROSS Integrale”, applicable only on electricity operators; since this regulatory framework is not yet defined, it’s not possible to estimate potential outcomes on Group’s business at this stage.

Moreover, with reference to the district heating regulation, ARERA has defined a temporary tariff framework for the year 2024 (Delibera 638/2023). During 2024 ARERA will hold consultations and comparisons with district heating Operators to define the definitive tariff framework starting from the 1 January 2025; no significant economic impacts are expected in 2024, while, at this stage, it is not possible to estimate potential outcomes on Group's business from 2025 onwards.

Uncertainties as to how determine tariffs and/or decreases in tariffs payable by the end users to A2A and/or the members of the Group could adversely affect the Group's business, results of operations and financial condition.

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

In order to carry out and expand its business, the Group needs to maintain or obtain a variety of permits and approvals from competent authorities and agencies. The processes for obtaining these permits and approvals are often lengthy, complex, unpredictable and costly. If the Group is unable to maintain or obtain the relevant permits and approvals, its ability to achieve its strategic objectives could be impaired with an adverse impact on the Group's business and results of operations, financial position and cash flows.

The Group's operations are subject to extensive environmental statutes, rules and regulations

The Group's compliance with environmental statutes, rules and regulations on, *inter alia*, air emissions, water discharges and the management of hazardous and solid waste involves significant costs relating to environmental monitoring, installation of pollution control equipment, emission fees, maintenance and upgrading of facilities, remediation and permitting. The costs of compliance with legal environmental requirements now existing or not yet adopted may increase in the future.

In 2019, the issuing of BREF (Best Available Techniques Reference Document) regulation imposed restrictive measures related to air emissions as a result of incineration processes. The Group has updated its plants integrated environmental authorization (AIA) in order to comply with this emerging regulation, however an increase in such costs, unless promptly recovered, could have an adverse impact on the Group's business and results of operations, financial position and cash flows.

2. FINANCIAL, CREDIT AND COUNTERPARTY RISKS

Liquidity and funding risks

Liquidity risk is the risk that the Issuer might not be able to fully meet its obligations when due. New financial resources may not be available (funding liquidity risk) or the Issuer may be unable to promptly convert assets into cash on the market (asset liquidity risk). This may materially and adversely affect the Issuer's results of operations and financial condition should the Issuer be obliged to incur additional costs or, in extreme cases, threaten the Issuer's future as a going concern and lead to insolvency.

Should it be required, the Issuer's ability to borrow in the banking or capital markets to meet the financial requirements of the Group is also dependent on, among other things, the prevailing market conditions and the rating of the Issuer at the time of the funding need. There are no assurances that the Issuer will be able to access financing under equal or better conditions than those it currently enjoys, which could, either directly or indirectly, have an adverse impact on the Group's business, financial condition and results of operations.

Commodity and energy price risk

The Group is exposed to the volatility of the price of commodities, *i.e.*, the risk associated with unexpected changes in the prices of energy raw materials (electricity, natural gas, coal and fuel oil) and the prices of CO_2 emission allowances (EUAs), as well as the fix rate associated with them. Furthermore, the conflict between Russia and Ukraine, started on 24 February 2022, which is ongoing at the date of this Prospectus, has increased the volatility of the price of energy commodities at record levels in the third quarter 2022; however, prices and volatility are progressively reducing. Significant, unexpected and/or structural changes in the price of commodities, especially in the medium term, could lead to a decrease in the Issuer's gross operating margins and cash flows. It should be noted that the regulatory context, designed to mobilize resources from the so-called "extra-profits" of energy companies, allocating them, in particular, to the financing of interventions to protect national companies and households, is constantly evolving and cannot be excluded further forms of withdrawal. The A2A Group is carefully monitoring the issue in order to protect the interests of its shareholders. The Issuer manages the risk of fluctuation in the price of raw materials by constantly monitoring the overall exposure of the Group's portfolio, setting a hedging strategy that partially or totally hedges the position accordingly. There is no guarantee that the hedging strategy undertaken at any time neutralises the risk completely, which could have an adverse impact on the Group's business and results of operations, financial position and cash flows.

The Group's credit rating and financial market conditions may affect its ability to obtain funding

As at the date of this Prospectus, the long-term debt credit rating assigned to A2A is "Baa2" (stable outlook) by Moody's and "BBB" (stable outlook) by S&P. Each of Moody's and S&P is established in the European Union and is registered under the CRA Regulation. As such each of Moody's and S&P is included in the list of credit ratings agencies published on the European Securities and Markets Authority website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

Since a credit rating assesses the credit worthiness of an entity and informs investors about the probability of such entity being able to service its debt, 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. Therefore, the Issuer's future ability to access capital markets, other financing instruments and related costs may depend, *inter alia*, on the credit rating assigned to A2A. A downgrade of A2A's rating by Moody's and/or S&P may therefore increase costs of funding and/or refinancing of debt or even jeopardise further issuances. The prices of A2A's existing bonds may deteriorate following a downgrade.

In addition, the Issuer's credit ratings are potentially exposed to the risk of potential downgrades of the sovereign credit rating of the Republic of Italy. On the basis of the methodologies used by S&P and Moody's, a potential downgrade of Italy's credit rating may drag along the credit rating of Italian issuers, such as the Issuer, and increase the likelihood that the credit rating of the Securities could be downgraded, with a consequential adverse effect on the market value of the Securities and/or a consequential adverse effect on the Issuer's ability to fulfil its obligations under the Securities.

The Group is exposed to counterparty risk arising from its commercial activity

Counterparty risk represents A2A's exposure to potential losses that could be incurred if a commercial or financial counterparty fails to meet its obligations. This risk arises primarily from economic or financial factors (*i.e.*, where the counterparty defaults on its obligations), as well as from factors that are technical or commercial, or administrative or legal in nature (such as disputes over the type or quantity of goods supplied, the interpretation of contractual clauses, supporting invoices, etc.). With regard to the retail marketing of electricity and gas, the increase in the price of commodities due to geo-political tensions ongoing as at the date of this Prospectus leads to a risk in credit exposures to customers. The extent of these tensions will depend on the evolution of the crisis and its temporal duration. The Group's exposure to counterpart risk is mainly due to its growing commercial activity as a seller of electric power and natural gas in the deregulated market. A single default by a major financial counterparty, or a significant increase in current default rates by counterparties generally, could adversely affect the business, results of operations and financial condition of the Issuer and the Group.

The financing agreements that the Group has entered into contain restrictive covenants that limit its operations

The long-term loan agreements of the Group contain customary clauses and covenants such as "negative-pledge" clauses, "material change" clauses, "cross-default" clauses, "additional guarantees" clauses and "acceleration" clauses, requiring the maintenance of particular financial ratios or credit ratings, constraining the Group's operations. Failure the meet these obligations, when not promptly remedied, may trigger the acceleration of the outstanding debt repayment, possibly entailing liquidity risk. A similar effect may also be generated by the triggering of any early repayment obligation, caused by, *inter alia*, a change of control or a rating event with respect to certain financial indebtedness, which could have an adverse impact on the Group's business, financial condition and results of operations.

Interest rate risk

The Group is subject to the interest rate risk arising from its financial indebtedness that varies depending on whether such indebtedness is at fixed or floating rate. As of 31 March 2024, 84% of A2A's financing sources is represented by fixed rate instruments (taking also into account the hedging instruments in place). Changes in interest rates affect the market value of financial assets and liabilities of the Group and the level of finance charges. Any such changes could, either directly or indirectly, have an adverse impact on the Group's business, financial condition and results of operations.

3. BUSINESS ACTIVITIES AND INDUSTRY RISKS

Risks related to macroeconomic trends and GDP growth rates

Global economic cycles can affect the Group's activities due to their effects on commodity prices (please refer to the specific commodities section for more information) as well as domestic GDP growth rates.

In particular, the Russian invasion of Ukraine, which was launched on 24 February 2022 and is ongoing at the date of this Prospectus, the sanctions and export controls/embargoes against Russia has already had a significant impact on the European and global economy, with greater market volatility and significant increases in the prices of energy and natural gas. At present, market volatility is entering a normalization phase and prices of energy and natural gas are stabilizing, albeit at a higher level than the values recorded before this geopolitical crisis.

As A2A mainly operates in the domestic markets, a slowdown in the domestic economy growth could lead to a reduction in consumption and/or industrial production, with a negative impact on energy production, demand for electricity and gas consumption, demand for waste collection and treatment and other services offered by the Group, reducing current financial performance and negatively influencing the implementation of future planned developments.

Risks related to socio-environmental context

Possible actions promoted by some stakeholders in opposition to the presence of plants, amplified through the use of social networks, due to a negative perception of some activities (such as waste-to-energy activities) in the areas served (the so-called "Not In My Back Yard" phenomenon) could potentially hinder the operating conditions of plants, the authorisation processes, the transition or conversion programs of some plants (such as, waste-to-energy and waste recovery plants) as well as growth in some business areas planned by the Group.

With specific reference to the Generation and Trading Business Unit, in November 2019 the "Capacity Market" tenders for delivery in 2022 and 2023 were held following and according to the authorisations and rules set by the Ministry of Economic Development, the ARERA and Terna. A2A has been awarded nearly 5 GW/year of capacity offered over the 2022-2023 delivery period. Some operators have filed an appeal to quash the aforementioned awards. In February 2022 the "Capacity Market" tender for delivery in 2024 has been held and A2A has been awarded more than 1 GW of capacity for the next 15 years with reference to new combined cycle gas turbine (CCGT) power plants to be built.

Any of these factors could adversely affect the implementation of development programs and the Issuer's reputation and, in turn, the business revenues, results of operations and financial condition of the Group.

Risks related to acquisitions of new businesses and integration with the Group's existing operations

When considering an acquisition or investments, the Group makes certain estimates and assumptions as to economic, market, operational and other conditions, including estimates relating to the value or potential value of the business to be acquired and the potential return on investment, as well as the potential capital expenditure. Should such estimates be incorrect, it may have a negative effect on the Group's existing operations. Even when the estimates provide positive results in acquisition and integration of distribution businesses, it may restrict the number of the potential targets therefore limiting the Group's potential to carry out further acquisitions and/or integrations.

Furthermore, acquisitions require the integration and combination of different management, strategies, procedures, services, client bases and distribution plants and networks, with the aim of streamlining the business structure and operations of the newly enlarged group.

Any acquisition could expose the Issuer and the Group to risks connected with the integration of new businesses into the Group, for example, undisclosed events, circumstances or liabilities of the acquired businesses and distributions plants that could result in additional investment, operating costs or delays in integrating the targets as forecasted or failure or achieve the expected synergies. Failure to integrate investments successfully could have a material adverse effect on the Group's business, financial condition, cash flows and/or results of operations.

Increasing competition in the retail electric / natural gas markets

In Italy, energy markets are subject to increasing competition. The Group faces competition (i) in its domestic free market electricity business, where competition is represented by other integrated electricity producers and traders/resellers, both Italian and European, that sell electricity in the Italian market to industrial, commercial and residential clients; and (ii) in its domestic natural gas business, where it faces increasing competition from both national and international natural gas suppliers, including vertically integrated international gas producers from countries with large gas reserves. Competition can put pressure on margins achieved on the free market, increase the churn rate and make new net customer acquisitions more difficult/expensive.

The liberalization of the energy market started in January 2024 with the termination of the price protection regimes for customers in the electricity and gas sectors; with regard to the electricity market, on 10 January 2024 auctions were held for the award of domestic customers under the protected price scheme; the shift of customers to the "*tutele graduali*" market will occur from 1 July 2024. A2A has been awarded 2 lots and in the coming years will take actions to increase its customer base.

Any of these factors could adversely affect the business revenues, results of operations and financial condition of the Group.

Hydrological droughts or other changes in weather and atmospheric conditions

The Group's business is affected in several ways by atmospheric conditions. The Issuer is particularly dependent upon hydrological conditions prevailing from time to time in the geographic Regions where the relevant hydroelectric generation facilities are located; long periods of drought can also affect the functioning of production plants, both hydroelectric and gas (due to the impossibility of cooling the components subject to overheating). Average temperatures influence customer natural gas, heating and electricity consumption needs, driving sales of heating or cooling energy sources, as the case may be. Very high temperatures in warmer season can cause damage to electricity distribution networks, leading to interruptions of electricity supply because of higher power demand, with potential penalties levied on the distributor. Weather conditions influence power generation results in many ways, including both overall power demand and production mix at country level (wind, PV, or rain levels).

Furthermore, extreme weather phenomena (such as floods and landslides) may affect the Group assets as well as third-party infrastructures necessary for the performance of the Group's operating activities (such as electricity transmission lines) and/or infrastructures relating to the hydraulic systems (such as channels, dams and pipelines) and, as a consequence, the Group's production activities and business results.

Operational risks due to the ownership and management of power stations, co-generation and waste-to-energy plants, distribution networks and plants

The Issuer owns and operates power stations, co-generation and waste-to-energy plants, distribution networks and plants. Extreme weather phenomena, natural disasters, fire, terrorist attacks, mechanical and/or electrical breakdown of or damage to equipment or processes, accidents and labour disputes can cause significant damage to the assets and, at worst, production capacity may be compromised.

All these risk factors could cause increased costs. Furthermore, these risks could cause damage or destruction to the Group's facilities and, in turn, injuries to third parties or damage to the environment, along with ensuing lawsuits and penalties imposed by the relevant authorities.

Information technology risk

The Group's operations are supported by complex information systems, specifically with regard to its technical, commercial and administrative divisions. In particular, the Group uses information technology systems to record, process and summarise financial information and results of operations for internal reporting purposes and to comply with regulatory, legal and tax requirements. Additionally, the Group collects and stores sensitive data, including intellectual property, proprietary business information and the proprietary information and personally identifiable information of customers, service providers and employees, in data centres and on information technology networks. Operating these information technology systems and networks, and processing and maintaining this data, in a secure manner, are critical to the Issuer's business operations. Increased information technology security threats also due to the conflict between Russia and Ukraine, which is ongoing at the date of this Prospectus, and more sophisticated computer crime pose a risk to the security of the Group's systems and networks and the confidentiality, availability and integrity of its data. A security failure or breach could expose the Group and its customers, service providers and employees to risks of misuse of information or systems, the compromise of confidential information, loss of financial resources, manipulation and destruction of data and operational disruptions, which in turn could adversely affect the Group's reputation, competitive position, businesses and results of operations. Security breaches could also result in litigation, regulatory action, unauthorised release of confidential or otherwise protected information and corruption of data, as well as higher operational and other costs of implementing further data protection measures.

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 with which the Group must comply 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 penalties, as well as damage to the Issuer's balance sheet, financial position and reputation. With regard to 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, may also result in sanctions against A2A and its subsidiaries based on the administrative liability of entities (Legislative Decree no. 231 of 8 June 2001).

The Issuer may be exposed to a number of different tax uncertainties, which would have an impact on its tax expenses

The A2A Group is required to pay taxes in multiple jurisdictions in which it operates. The A2A Group determines the taxes it is required to pay, based on its interpretation of the applicable tax laws and regulations in the jurisdictions in which it operates. Therefore, and as a result of its presence and operation in multiple jurisdictions, the A2A Group may be subject to unfavorable changes in the applicable tax laws and regulations, or in the interpretation of such tax laws and regulations by the competent tax authorities. The financial position of the A2A Group and its ability to service the obligations under its indebtedness, including the Securities, may be adversely affected by new laws or changes in the interpretation of existing tax laws. In addition, the European Commission published on 22 December 2021 a proposal for a Council Directive "*on ensuring a global minimum level of taxation for multinational groups in the Union*" aimed at implementing the OECD Pillar Two Model Rules. On 14 December 2022 the proposal was unanimously approved by all 27 Member States, which were required to implement these rules into their national systems before 31 December 2023 (**Pillar Two Directive**).

With Law of 9 August 2023, No. 111 (**Law 111/2023**), the Italian Parliament approved general principles and criteria enabling the Italian Government to implement through a specific legislative decree the Pillar Two Directive in Italy. This measure will ensure that multinational and large national groups that are within the scope of the Pillar Two rules will always be subject to a corporation tax rate of at least 15 per cent in each jurisdiction in which they operate. The Pillar Two Directive has been implemented in Italy via Legislative Decree of 27 December 2023, No. 209 (**Legislative Decree 209/2023**).

In any case, if, pursuant to a Tax Law Change (including a change due to implementation measures or new administrative guidance in respect of the Pillar Two Directive and/or Legislative Decree 209/2023 in relation to the treatment of interest deductibility for the purposes of Italian corporate income tax), interest payments under the Securities become not deductible by the Issuer for corporate income tax purposes, this may result in the occurrence of a Tax Deductibility Event (please see Risks related to the structure of the Securities – Early redemption risk).

4. RISK RELATED TO THE RUSSIA-UKRAINE CONFLICT AND TO TENSIONS IN THE MIDDLE EAST

The ongoing conflict between Russia and Ukraine has exacerbated an energy market crisis already underway in 2021, linked to the post-pandemic recovery and severe commodity shortages, leading to a further increase in energy commodity prices and their volatility. In addition to the direct impacts on the production and sale of electricity and gas, such a price increase has led to a general increase in inflation with particular reference to the prices of oil derivatives and foodstuffs, as well as tensions on financial markets, on the solvency of certain counterparts. Cyber-attack risks have increased leading to an improvement in IT security standards. Government measures have also introduced extraordinary subsidies on the economic results of energy companies, earmarking them, in particular, to finance measures to protect domestic companies and households.

Although in recent months there has been a turnaround and an adjustment of prices, at levels still higher than those before the conflict, in the latter part of 2023 the Israeli-Palestinian conflict has generated tensions at international level both with reference to its possible extension and with specific consequences within the Red Sea area. In particular, there has been a drastic contraction of the transit of commercial ships from the Suez Canal due to the extended timeframe required to circumnavigate Africa. The economies most affected by this situation are those of European countries, geographically more affected by the effects of this evolution of the crisis and dependent on oil, gas, materials and products passing through the Red Sea.

A2A Group is experiencing cost increases in the performance of its operating activities (e.g. site costs, waste transport costs, waste treatment process costs); it is also noteworthy that some materials are difficult to obtain within the ordinary timeframe. In order to cope with this situation, automatic price list adjustments are being made where possible, stocks of materials that are more difficult to obtain are being increased and the supplier portfolio is being expanded.

The circumstances described above could, either directly or indirectly, have an adverse impact on the Group's business, financial condition and results of operations.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE SECURITIES

(B) The factors which are material for the purpose of assessing the market risks associated with the Securities have been classified into the following categories:

1. Risks related to the structure of the Securities;

2. Risks related to the Securities generally;

3. Risks related to the market generally; and

4. Risks relating to the taxation and accounting treatment of the Securities.

1. Risks related to the structure of the Securities

Set out below is a description of certain features of the Securities which contain particular risks for potential investors:

The Issuer's payment obligations in respect of the Securities are subordinated

The Securities will be unsecured and subordinated obligations of the Issuer and will rank junior to the claims of unsubordinated and other subordinated creditors of the Issuer, except for subordinated creditors whose claims rank, or are expressed to rank, *pari passu* with the Securities. See Condition 3 (*Status and Subordination*) of the Terms and Conditions of the Securities. By virtue of such subordination, upon the occurrence of any winding-up, insolvency, dissolution or liquidation of the Issuer, payments on the Securities will be subordinated in right of payment to the prior payment in full of all other liabilities of the Issuer, except for payments in respect of any Parity Securities or Junior Securities.

The obligations of the Issuer under the Securities are intended to be senior only to its obligations to the holders of (i) any class of the Issuer's share capital and (ii) any other securities issued by the Issuer or any securities issued by a company other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which securities of the Issuer, or guarantee or similar instrument granted by the Issuer, rank or are expressed to rank *pari passu* with any class of the Issuer's share capital and/or junior to the Securities. A Securityholder may therefore recover less than the holders of unsubordinated or other subordinated liabilities of the Issuer which rank senior to the Securities.

Subject to applicable law, no Securityholder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, or in connection with, the Securities and each Securityholder will, by virtue of being a Securityholder, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention.

Securityholders are advised that unsubordinated liabilities of the Issuer may also arise out of events or obligations that are not reflected in the statement of financial position of the Issuer, including, without limitation, the issuance of guarantees on an unsubordinated basis. Claims made under such guarantees will become unsubordinated liabilities of the Issuer which, in a winding-up, insolvency, dissolution or liquidation of the Issuer, will need to be paid in full before the obligations under the Securities may be satisfied.

Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Securities will lose all or some of his investment should the Issuer become insolvent.

The Securities are perpetual securities and holders of the Securities may be required to bear the financial risks of an investment in the Securities for a long period

The Securities are perpetual securities and have no fixed date for redemption, and unless previously redeemed, purchased or exchanged and cancelled by the Issuer as provided in the Terms and Conditions, the Securities will become due and payable on the Liquidation Event Date, including in connection with any Insolvency Proceedings in accordance with (i) any applicable legal provision, or any decision of any judicial or administrative authority, or (ii) any resolution passed at a shareholders' meeting of the Issuer or (iii) any provision which is set out in the by-laws of the Issuer from time to time (including the maturity of the Issuer which, as of the date of this Prospectus, is set in its by-laws at 31 December 2100). The Issuer is under no obligation to redeem or repurchase the Securities prior to such date, although it may elect to do so in certain circumstances. Securityholders have no right to call for the redemption of the Securities and the Securities will only become due and payable on the Liquidation Event Date. Securityholders should therefore be aware that they may be required to bear the financial risks associated with an investment in long-term securities and that they may not recover their investment in the foreseeable future.

Deferral of interest payments

The Issuer may elect to defer payment of interest in respect of the Securities accrued to that date by giving a Deferral Notice (as defined in Condition 4.2 (*Interest Deferral*) of the Terms and Conditions of the Securities) to Securityholders. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment of interest will not constitute a default by the Issuer for any purpose. Any interest in respect of the Securities the payment of which is deferred will, so long as the same remains outstanding, constitute Arrears of Interest. Arrears of Interest will be payable as outlined in Condition 4.2 (*Interest Deferral*) of the Terms and Conditions of the Securities. No interest will accrue on any outstanding Arrears of Interest. While the deferral of payment of interest continues, the Issuer is not prohibited from making payments on any instrument ranking senior to the Securities and may, in certain limited circumstances, pay dividends or make distributions on, or redeem or repurchase, Junior Securities and Parity Securities (as further set out in Condition 4.2 (c) (*Interest Deferral – Mandatory Settlement of Arrears of Interest*)) without triggering the compulsory settlement of Arrears of Interest, and in such event, the Securityholders are not entitled to claim immediate payment of interest so deferred.

As a result, any deferral of interest payments, or perception that the Issuer will exercise its deferral rights, will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provisions of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the financial condition of the Issuer.

Early redemption risk

The Issuer may redeem all the Securities (but not some only) on any Call Date (the first such date falling on 11 June 2029 (the date falling 3 months before the First Reset Date)) at their principal amount together with accrued interest to, but excluding, the relevant Call Date and any outstanding Arrears of Interest, as outlined in Condition 7.2 (*Optional Redemption*) of the Terms and Conditions of the Securities. The Issuer may furthermore redeem all (but not some only) of the Securities on any Business Day prior to the first Call Date at the Make-whole Redemption Amount, as outlined in Condition 7.7 (*Make-whole Redemption at the Option of the Issuer*) of the Terms and Conditions of the Securities.

The Issuer may also redeem all of the Securities (but not some only) at the applicable Early Redemption Price at any time following the occurrence of a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event or an Accounting Event, as outlined in Conditions 7.3 (*Early Redemption following a Withholding Tax Event*), 7.4 (*Early Redemption following a Tax Deductibility Event*), 7.5 (*Early Redemption following a Rating Methodology Event*) and 7.6 (*Early Redemption following an Accounting Event*) of the Terms and Conditions of the Securities. In addition, in the event that at least 75 per cent. of the aggregate amount of the Securities issued on the Issue Date has been purchased by or on behalf of the Issuer or a Subsidiary and cancelled, the Issuer may redeem all of the outstanding Securities (but not some only) at the applicable Early Redemption Price. The applicable Early Redemption Price may be less than the then current market value of the Securities.

During any period when the Issuer may elect to redeem or is perceived to be able to redeem the Securities, the market value of the Securities 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 the Securities when its cost of borrowing for similar securities is lower than the interest rate on the Securities, or if it no longer requires the Securities as part of its capital structure. An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to reinvest the redemption proceeds at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

There is no limitation on the Issuer issuing senior or pari passu securities

There is no restriction on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on an insolvency of the Issuer and/or may increase the likelihood of a deferral of interest payments under the Securities.

Resettable fixed rate securities have a market risk

A holder of fixed rate securities is particularly exposed to the risk that the price of such securities falls as a result of changes in the market interest rates. While the nominal remuneration rate of the Securities is fixed until the First Reset Date (with a reset of the initial fixed rate on every Reset Date as set out in the Terms and Conditions of the Securities), market interest rates typically change on a daily basis. As the market interest rate changes, the price of the Securities also changes, but in the opposite direction. If the market interest rate increases, the price of the Securities would typically fall. If the market interest rate falls, the price of the Securities would typically increase. Securityholders should be aware that movements in these market interest rates can adversely affect the price of the Securities and can lead to losses for the Securityholders if they sell the Securities.

Interest rate reset may result in a decline of yield

A holder of securities with a fixed interest rate that will be reset during the term of the securities (as will be the case for the Securities on each Reset Date if not previously redeemed) is exposed to the risk of fluctuating interest rate levels and uncertain interest income.

Risks related to any second-party opinion in respect of the Securities, including the Second-party Opinion

In May 2021, A2A adopted a sustainable finance framework combining both use of proceeds principles and sustainability-linked principles (as supplemented, revised or updated from time to time, the **Sustainable Finance Framework**). The Sustainable Finance Framework was updated in February 2022. The Sustainable Finance Framework has been developed to show how A2A intends to continue supporting its sustainability strategy and vision via the utilisation of various green and sustainability-linked financing instruments, in accordance with the Green Bond Principles (the **GBP**) and the Sustainability-Linked Bond Principles (the **SLBP**) administered by the International Capital Markets Association (**ICMA**) and the Green Loan Principles (the **GLP**) and the Sustainability-Linked Loan Principles (the **SLLP**) administered by the Loan Market Association (**LMA**). In May 2021, the Sustainable Finance Framework was reviewed by Vigeo Eiris which provided a second-party opinion confirming the alignment of the Sustainable Finance Framework with the GBP, the SLBP, the GLP and the SLLP (as supplemented, revised or updated from time to time, the **Second-party Opinion**). The Second-party Opinion was updated in February 2022. The Sustainable Finance Framework and the Second-party Opinion are not, nor shall they be deemed to be, incorporated in and/or form part of this Prospectus. The Sustainable Finance Framework and the Second-party Opinion are available on the Issuer's website at http://www.a2a.eu.

The Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and below and other factors that may affect the value of the Securities issued as "Green Bonds" or the projects financed or refinanced toward an amount corresponding to the net proceeds of the issue of the Securities in the form of "Green Bonds". No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, certification of any third party (whether or not solicited by the Issuer) or opinion (including the Second-party Opinion) which is available in connection with the issue of the Securities and in particular with any Eligible Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, the Second-party Opinion is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus. The Second-party Opinion is not, nor should be deemed to be, a recommendation by the Issuer, the Joint Lead Managers, the Structuring Advisors and Global Coordinators, any of their respective affiliates (including parent companies) or any other person to buy, sell or hold the Securities. The Second-party Opinion is only current as of the date that opinion was initially issued.

Prospective investors must determine for themselves the relevance of such 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 the Securities. Currently, the providers of such Second-party Opinion are not subject to any specific regulatory or other regime or oversight. A withdrawal of the Second-party Opinion or any such opinion or certification attesting that the 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 affect the value of the Securities issued as "Green Bonds" and/or have consequences for certain investors with portfolio mandates to invest in sustainability-linked assets. The Issuer's Sustainable Finance Framework may be amended at any time without the consent of the Securityholders and none of the Issuer, the Joint Lead Managers, the Structuring Agents and Global Coordinators, any of their affiliates (including parent companies) assumes any obligation or responsibility to release any update or revision to the Sustainable Finance Framework and/or information to reflect events or circumstances after the date of publication of the Sustainable Finance Framework. Therefore, an update or a revision of the Second-party Opinion may or may not be requested to Vigeo Eiris.

Securityholders have no recourse against the Issuer, any of the Joint Lead Managers, the Structuring Agents and Global Coordinators, any of their respective affiliates (including parent companies) or any other member of their group or the provider of the Second-party Opinion for the contents of the Second-party Opinion, which is only current as at the date it was initially issued.

There can be no assurance that the use of proceeds of the Securities and the Eligible Green Projects will be suitable for the investment criteria of an investor

The Issuer intends to use the net proceeds of the Securities to finance and/or re-finance, in whole or in part, new or existing projects from any of the Eligible Green Projects (as defined in the "*Use of Proceeds*" section of this Prospectus). Prospective investors should have regard to the information set out in this Prospectus regarding use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in the Securities, together with any other investigation such investor deems necessary.

No assurance can be given by the Issuer, the Joint Lead Managers, the Structuring Agents and Global Coordinators or any of their respective affiliates (including parent companies) that the use of the proceeds deriving from the issue of the Securities for any Eligible Green Projects which have been defined in accordance with the broad categorisation of eligibility for green projects set out by the ICMA GBP 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 by any present or future applicable law, regulations, standards (including Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (including the supplemental delegated regulations thereto) (the **EU Taxonomy Regulation**) or Regulation (EU) 2023/2631 of the European Parliament and of the Council of November 22, 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (including supplemental delegated regulations thereto) (the **EU Green Bond Standard Regulation**)) 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 of any projects or uses the subject of, or related to, any Eligible Green Projects.

It should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes or may be classified as a “green“ or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green“ or "sustainable" or such other equivalent label. The EU Taxonomy Regulation and the EU Green Bond Standard Regulation establish a basis for the determination of such a definition in the EU. The EU Taxonomy Regulation and the EU Green Bond Standard Regulation are nevertheless subject to further developments and implementations. Even if a definition or market consensus as to what constitutes, a “green” or “sustainable” or an equivalently-labelled project, or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label, should develop or be established, no assurance is or can be given to investors that any projects or uses which are the subject of, or related to, any Eligible Green Projects will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives (including those set out under the EU Taxonomy Regulation and the EU Green Bond Standard Regulation) or that any adverse green, environmental, social and/or other impacts will not occur during the implementation of any projects or uses which are the subject of, or related to, any Eligible Green Projects funded with the net proceeds of the Securities. In addition, the Issuer may change its Sustainable Finance Framework or the selection criteria used to select Eligible Green Projects at any time.

In the event that the Securities are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Joint Lead Managers, the Structuring Advisors and Global Coordinators, or any other person that such listing or admission satisfies, 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 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 of any projects or uses, the subject of or related to, any Eligible Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any Securities or, if obtained, that any such listing or admission to trading will be maintained during the life of the Securities.

Pursuant to the Issuer’s Sustainable Finance Framework, on an annual basis, a dedicated assessment to the allocated Eligible Green Projects alignment with the EU Taxonomy Regulation (in accordance with Article 8 of the EU Taxonomy Regulation) will be performed with the annual allocation report provided by the Issuer. Such allocation report will be provided by the Issuer, at least until full allocation or in case of material changes, on: (i) details of the net proceeds allocation by category of Eligible Green Projects; (ii) the proportion of net proceeds used for financing versus refinancing; (iii) the percentage of EU Taxonomy aligned Eligible Green

Projects financed with each Green Bond; (iv) if feasible, the co-financing share; (v) the balance of any unallocated proceeds (vi) disclosure of any material developments related to the Eligible Green Projects, including ESG controversies and issues; (vii) type of temporary investment instrument for unallocated proceed and (viii) the list of eligible projects (re)financed, including a brief description. The allocation report will be available on the Issuer's website (www.gruppoa2a.it). Regarding the impact and performance reporting the Issuer will report, where feasible, on a number of impact metrics related to the different of Eligible Green Projects funded with the net proceeds of the Securities.

While it is the intention of the Issuer to apply the net proceeds of the Securities so specified for Eligible Green Projects in, or substantially in, the manner described in this Prospectus, there can be no assurance that the relevant project(s) or use(s) (including those the subject of, or related to, any Eligible Green Projects) will be capable of being implemented in or substantially in such a manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such project(s) or use(s). Nor can there be any assurance that any such projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.

Any such event or failure to apply an amount equal to the proceeds of the issue of Securities for any project(s) or use(s), including any Eligible Green Projects, and/or the withdrawal of any opinion or certification as described above (including the Second-party Opinion) or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on, and/or the Securities no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may adversely affect the reputation of the Issuer, have a material adverse effect on the value of such Securities and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used to finance or refinance green project.

There is no direct contractual link between the Securities and any green, social or sustainability targets of the Issuer. Therefore, payments of interest in respect of the Securities will not be impacted by the performance of Eligible Green Projects funded out of the proceeds of issue (or amounts equal thereto) of the Securities or by any other green, social or sustainable assets of the Issuer and/or the Group.

The relevant proceeds will be used for Eligible Green Projects in the manner described in "*Use of Proceeds*" set out in this Prospectus.

After the First Reset Date, the interest rate in respect of the Securities will be reset periodically by reference to a mid-swap rate, which may be affected by changes in the benchmarks' laws and regulations

Commencing on the First Reset Date, the interest rate for each Reset Period will (if the Securities are not redeemed or repurchased pursuant to Condition 7 (*Redemption and Purchase*) of the Terms and Conditions of the Securities) be reset by reference to the prevailing EUR 5 year Swap Rate plus (A) in respect of the Reset Period commencing on the First Reset Date and ending on but excluding the Reset Date falling on 11 September 2034 (the **First Reset Period**), 2.258 per cent. per annum; (B) in respect of the Reset Periods commencing on or after 11 September 2034 and ending on but excluding the Reset Date falling on 11 September 2049 (the **Second Reset Period**), 2.508 per cent. per annum; and (C) in respect of the Reset Periods commencing on or after 11 September 2049 and any Reset Period following thereafter (the **Third Reset Period**), 3.258 per cent. per annum.

The EUR 5 year Swap Rate references the annual mid-swap rate. Furthermore, as at the time of pricing of the Securities, the current market practice is to derive the EUR 5 year Swap Rate Quotations in part from the Euro interbank offered rate (**EURIBOR**). The EUR 5 year Swap Rate, EURIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Securities.

The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (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) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on the Securities, in particular if the methodology or other terms of the relevant benchmark are changed in order to comply with the requirements of the 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 relevant benchmark.

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

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, among other things, new euro denominated cash products (including bonds) referencing EURIBOR. 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 recommendation 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: (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; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Securities.

The Terms and Conditions of the Securities include fall-back provisions as set out in Condition 4.1(b) (*Interest and Interest Deferral – Determination of EUR 5 year Swap Rate*) which apply in the event the relevant EUR 5 year Swap Rate does not appear on the EUR Reset Screen Page on the relevant Reset Interest Determination Date, which include requesting the EUR Reset Reference Banks to provide their EUR 5 year Swap Rate Quotations. Applying such fall-back provisions will result in the Securities performing differently (which may include payment of a lower Prevailing Interest Rate) than they would if the EUR 5 year Swap Rate were available.

The Terms and Conditions of the Securities also provide for certain fallback arrangements as set out in Condition 5 (*Benchmark Discontinuation*) in the event that the annual mid-swap rate referred to in the definition of EUR 5 year Swap Rate or EURIBOR which is used to derive the EUR 5 year Swap Rate Quotations (each an **Original Reference Rate**) (including any page on which such benchmark rate may be published (or any successor service)) becomes unavailable, including the possibility that the Prevailing Interest Rate could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Adviser, acting in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer, and such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be). The use of any such Successor Rate or Alternative Rate to determine the Prevailing Interest Rate will result in the Securities performing differently (which may include payment of a lower Prevailing Interest Rate) than they would do if the EUR 5 year Swap Rate were to continue to apply in its current form.

In certain circumstances the ultimate fallback of interest for a particular Reset Period may result in the effective application of a fixed rate based on the rate which was last observed on the EUR Reset Screen Page. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser determines that amendments to the Terms and Conditions of the Securities and the Agency Agreement are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread, then such amendments shall be made without any requirement for the consent or approval of Securityholders, as provided by Condition 5.4 (*Benchmark Discontinuation – Benchmark Amendments*).

Any such consequences could have an adverse effect on the value of and return on the Securities. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Securities or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Securities. Investors should consider these matters with their own independent advisers when making their investment decision with respect to the Securities.

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 Condition 5.1 (*Independent Adviser*) prior to the date which is 10 Business Days prior to the relevant Reset Interest Determination Date, the EUR 5 year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last available EUR 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the EUR Reset Screen Page. For the avoidance of doubt, any adjustment pursuant to Condition 5.1 (*Independent Adviser*) shall apply to the immediately following Reset Period only and any subsequent Reset Periods may be subject to the subsequent operation of, and to adjustment as provided in, Condition 5.1 (*Independent Adviser*).

Notwithstanding any other provision of Condition 5 (*Benchmark Discontinuation*), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of "equity credit" assigned to the Securities by any Rating Agency when compared to the "equity credit" assigned to the Securities immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency, (ii) result in shortening of the period of time "equity credit" is assigned / attributed to the Securities by any Rating Agency, or (iii) otherwise prejudice the eligibility of the Securities for "equity credit" from any Rating Agency.

There are no events of default

The Terms and Conditions of the Securities do not provide for events of default allowing acceleration of the Securities if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Securities, including the payment of any interest, investors will not have the right to require the early redemption of the Securities.

On the Liquidation Event Date, the Securities will become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest. In the event of a winding-up, insolvency, dissolution or liquidation of the Issuer, the claims of the Securityholders will be subordinated as further described in Condition 3 (*Status and Subordination*) of the Terms and Conditions of the Securities. Accordingly, the claims of holders of all obligations to which the Securities are subordinated will first have to be satisfied in any winding-up or analogous proceedings before the relevant Securityholders may expect to obtain any recovery in respect of the Securities and prior thereto relevant Securityholders will have only limited ability to influence the conduct of such winding-up or analogous proceedings.

The Securities are subject to provisions relating to modification, including exchange or variation of the Securities upon a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event or an Accounting Event

The Terms and Conditions of the Securities provide that the Securities, the Coupons and these Conditions may be amended without the consent of the Securityholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Securityholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not prejudicial to the interests of the Securityholders.

Furthermore, the Terms and Conditions provide that the Issuer may, subject to the fulfilment of certain requirements as set out in Condition 8 (*Exchange or Variation upon a Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event and Preconditions to such Exchange or Variation*), without any requirement for the consent or approval of the Securityholders, agree to the variation or the exchange (to the extent permitted by applicable laws and regulations), of the Securities upon a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event or an Accounting Event, subject to the fulfilment of certain conditions intended to protect the interests of the Securityholders, so that immediately following such exchange or variation, no Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event applies in respect of the Exchanged Securities or, as applicable, the Varies Securities. Whilst the Exchanged Securities or Varied Securities, as the case may be, are required to have terms which are (in the sole opinion of the Issuer (acting reasonably) not prejudicial to the interests of the Securityholders (as a class), there can be no assurance that the Exchanged Securities or Varied Securities, as the case may be, will not have a significant adverse impact on the price of, and/or market for, the Securities or the circumstances of individual Securityholders.

2. Risks related to the Securities generally

Set out below is a brief description of certain risks relating to the Securities generally:

Reliance on Euroclear and Clearstream, Luxembourg

The Securities will be represented by one or more Global Securities except in certain limited circumstances described in the Permanent Global Security. Such Global Securities will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the relevant Global Security, investors will not be entitled to receive definitive Securities. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Securities and, while the Securities are represented by one or more Global Securities, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their participants.

While the Securities are represented by one or more Global Securities, the Issuer will discharge its payment obligations under the Securities by making payments to or to the order of the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Security must rely on the procedures of Euroclear and Clearstream Luxembourg to receive payments under the Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities.

Holders of beneficial interests in the Global Securities will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

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

The Terms and Conditions of the Securities contain provisions for calling meetings of Securityholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution, and including those Securityholders who voted in a manner contrary to the majority.

Neither the Fiscal Agent nor the Agent Bank assumes any fiduciary duties or other obligations to Securityholders and neither is, in particular, obliged to make determinations which protect or further their interests

Each of the Fiscal Agent and the Agent Bank is the agent of the Issuer and is required to act in accordance with the Agency Agreement and the Conditions in good faith and endeavour at all times to make necessary determinations in a commercially reasonable manner. Securityholders should however be aware that neither the Fiscal Agent nor the Agent Bank assumes any fiduciary or other obligations to the Securityholders and neither is, in particular, obliged to make determinations which protect or further the interests of the Securityholders.

Each of the Fiscal Agent and the Agent Bank may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties. Neither the Fiscal Agent nor the Agent Bank shall be liable for the consequences to any person (including the Securityholders) of any errors or omissions in any determination made by the Fiscal Agent or the Agent Bank in relation to the Securities or interests in the Securities, in each case in the absence of wilful misconduct, gross negligence or fraud.

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

The Terms and Conditions of the Securities are based on English law, other than the provisions regarding subordination as set out in Condition 3 (*Status and Subordination*) of Terms and Conditions of the Securities, which are based on Italian law, in each case in effect as at the date of this Prospectus. In addition, Condition 14 (*Meetings of Securityholders and Modification*) and the provisions of the Agency Agreement concerning the meetings of Securityholders and the appointment of the Securityholder's representative (*rappresentante comune*) in respect of the Securities are subject to compliance with Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English or Italian law or administrative practice after the date of this Prospectus and any such change could have a materially adverse impact on the value of any Securities affected by it.

Italian insolvency laws are applicable to the Issuer and may not be as favourable to holders of Securities as those of other jurisdictions with which investors may be more familiar

Under Italian law, if certain requirements are met, the Issuer could become subject to certain insolvency proceedings, as described in the section "*Overview of the Italian Insolvency Law Regime*" of this Prospectus. The Italian insolvency laws may not be as favourable to Securityholders' interests as creditors as the laws of other jurisdictions with which the Securityholders may be familiar.

For instance, if the Issuer becomes subject to certain bankruptcy proceedings, payments made by the Issuer in favour of the Securityholders prior to the commencement of the relevant proceeding may, in certain circumstances, be liable to claw-back by the relevant court appointed receiver (*curatore fallimentare*).

Furthermore, under Italian law, Securityholders would not have a right as a class to appoint a representative to a creditors' committee. Consequently, Securityholders should be aware that they will generally have limited ability to influence the outcome of any insolvency proceedings which may apply to the Issuer under Italian law, especially in light of the current capital structure of the Issuer.

There are limited remedies available to Securityholders

Securityholders have limited rights to enforce payment or the performance of the Issuer's obligations in respect of the Securities. The Securities will only become due and payable if certain limited insolvency or liquidation events occur. In addition, in the event of a winding-up, insolvency, dissolution or liquidation of the Issuer, the claims of Securityholders will be subordinated as further described in Condition 3 (*Status and Subordination*) of the Terms and Conditions of the Securities. Accordingly, the claims of holders of all obligations to which the Securities are subordinated will first have to be satisfied in any winding-up or analogous proceedings before the Securityholders may expect to obtain any recovery in respect of the Securities and prior thereto Securityholders will have only limited ability to influence the conduct of such winding-up or analogous proceedings.

Minimum denominations of the Securities

As the Securities have denominations consisting of a minimum Specified Denomination of €100,000 (the **Minimum Denomination**) plus one or more higher integral multiples of €1,000 up to and including €199,000, it is possible that the Securities may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the Minimum Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the Minimum 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 Securities at or in excess of the Minimum Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the Minimum Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Security in respect of such holding (should definitive Securities be printed) and would need to purchase a principal amount of Securities such that its holding amounts to the Minimum Denomination.

If such Securities in definitive form are issued, holders should be aware that definitive Securities which have a denomination that is not an integral multiple of the Minimum Denomination may be illiquid and difficult to trade.

3. Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk and exchange rate risk:

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

Securities may have no established trading market when issued, and one may never develop. If a market for the Securities does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities 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 securities 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 securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Securities.

Any decline in the credit ratings of the Issuer may affect the trading price of the Securities

The Securities are expected to be assigned a rating by Moody's and S&P. Each of Moody's and S&P is established in the European Union and is registered under the CRA Regulation. As such each of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. The rating Moody's has given to the Securities is endorsed by Moody's Investors Service Ltd, which is established in the UK and registered under the UK CRA Regulation. The rating S&P has given to the Securities is endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation. The ratings granted by Moody's and S&P or any other rating assigned to the Securities will reflect only the views of the relevant rating agency and may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended, reduced or withdrawn by the assigning rating agency at any time. A suspension, reduction or withdrawal of the rating assigned to the Securities may adversely affect the trading price for the Securities.

In addition, Moody's or S&P or any other rating agency may change its methodologies for rating securities with features similar to the Securities in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Securities, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Securities were to be subsequently lowered, this may have a negative impact on the trading price of the Securities.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement, action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (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. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Securities 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, and the Securities may have a different regulatory treatment. This may result in relevant regulated investors selling the Securities which may impact the value of the Securities and any secondary market.

The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at *http://www.esma.europa.eu/page/List-registered-and-certified-CRAs*) in accordance with the CRA Regulation 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 list.

Delisting of the Securities

Application has been made for the Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. Such Securities may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Securities as a result of listing, any delisting of the Securities may have a material effect on a Securityholder's ability to resell the Securities on the secondary market.

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

The Issuer will pay principal and interest on the Securities in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro 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 euro would decrease (1) the Investor's Currency-equivalent yield on the Securities, (2) the Investor's Currency-equivalent value of the principal payable on the Securities and (3) the Investor's Currency-equivalent market value of the Securities.

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 Securities. As a result, investors may receive less interest or principal than expected, or no interest or principal.

4. Risks relating to the taxation and accounting treatment of the Securities

Set out below is a brief description of the principal risks related to the taxation and accounting treatment of the Securities:

Qualification of the Securities under Italian tax law

The statements contained in the section headed "*Taxation*" regarding the applicability of the tax regime provided far by Decree No. 239 to the Securities are based on the interpretation of the applicable legislation as confined by clarifications given by the Italian tax authority in Circular No. 4/E of 18 January 2006, Circular No. 4/E of 6 March 2013, Resolution No.30/E of 26 February 2019 and reply to Ruling No. 291 of 31 August 2020, according to which (i) bonds may have a maturity which is not scheduled at a specific date, but which instead is linked (as is the case with the Securities) either to the duration of the issuing company or to certain events that would lead to the liquidation of the issuer, and that (ii) the accounting of bonds as equity instruments by the issuer does not affect the classification of the instruments for tax purposes. Prospective purchasers and holders of the Securities should be aware that the above clarifications (as well as the Italian tax provisions in effect as of the date of this Prospectus) are subject to changes, which could even apply retrospectively.

If the Securities were not classified as "bonds" or "debentures similar to bonds" for tax purposes, they would be classified as "atypical securities" pursuant to Article 5 of Law Decree No. 512 of 30 September 1983. In such case, interest and other proceeds in respect of the Securities could be subject to Italian withholding tax at a rate of 26 per cent. if owed to beneficial owners that are not resident in Italy for tax purposes or to certain categories of Italian resident beneficiaries, depending on the legal status of the beneficiary owner of such interest and other proceeds. The applicability of such a withholding tax in relation to interest and other proceeds paid to non-Italian resident beneficiaries would give rise to an obligation of the Issuer to pay additional amounts pursuant to Condition 9 *(Taxation)*, and would, as a consequence, allow the Issuer to redeem the Securities pursuant to Condition 7.3 *(Redemption and Purchase – Redemption and Purchase following a Withholding Tax Event)*.

The current IFRS accounting classification of financial instruments such as the Securities as equity instruments may change, which may result in the occurrence of an Accounting Event

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the **DP/2018/1 Paper**) and the Financial Instruments with Characteristics of Equity project was recently moved to standard setting. In November 2023, the IASB issued an exposure draft on the proposed amendments proposed by the DP/2018/1 Paper. Whilst the proposals set out in the DP/2018/1 Paper would not, in their current form, result in any changes to the current IFRS accounting classification of financial instruments such as the Securities as equity instruments, such exposure draft is, however, subject to receipt of comments the deadline for which was 29 March 2024. If alternative changes are proposed and implemented, the current IFRS accounting classification of financial instruments such as the Securities as equity instruments may change and this may result in the occurrence of an "Accounting Event" (as described in the Terms and Conditions of the Securities). In such an event, the Issuer may have the option to redeem, in whole but not in part, the Securities pursuant to Condition 7.6 (*Redemption and Purchase – Early Redemption following an Accounting Event*). The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is still uncertain.

Accordingly, no assurance can be given as to the future classification of the Securities from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Securities or to exchange the Securities or to vary the terms of the Securities pursuant to the Terms and Conditions of the Securities. The occurrence of an Accounting Event may result in Securityholders receiving a lower than expected yield.

The redemption of the Securities by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Securities. During any period when the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed.

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

All payments in respect of the Securities will be made free and clear of withholding or deduction of Italian taxation, unless the withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the Securityholders receiving such amounts as they would have received in respect of such Securities had no such withholding or deduction been required. The Issuer's obligation to gross up is, however, subject to a number of customary exceptions, including withholding or deduction of *imposta sostitutiva* (Italian substitute tax) pursuant to Italian Legislative Decree No. 239 of 1 April 1996, a brief description of which is set out in the section headed "*Taxation*".

Prospective purchasers of Securities should consult their tax advisers as to the overall tax consequence of acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any state, regional or local tax laws of any country or territory. See also the section headed "*Taxation*" below.

Risk of changes in tax law

Law No. 111 of 9 August 2023, published in the Official Gazette No. 189 of 14 August 2023 (**Law 111**), 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 Italian tax system (the "**Tax Reform**").

According to Law 111, the Tax Reform is expected to 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. As a result, the information provided in this Prospectus may not comply with the future tax landscape.

Prospective purchasers of the Securities should be aware that the prospected changes to the tax regime of interest income and capital gains could lead to an increased tax cost for the prospected purchasers of the notes and, consequently, result in a lower return of their investment.

Prospective purchasers of the Securities should consult their own tax advisors regarding the tax consequences described above.

OVERVIEW OF THE TERMS OF THE SECURITIES

This Overview section must be read as an introduction to this Prospectus and any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole.

Words and expressions defined in the Terms and Conditions of the Securities shall have the same meanings in this section.

Issuer:	A2A S.p.A.
Legal Entity Identifier (LEI):	81560076E3944316DB24
Description of Securities:	€750,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities (the **Securities**)
Fiscal Agent and Agent Bank:	Citibank Europe plc
Structuring Agents and Global Coordinators:	BNP PARIBAS, Goldman Sachs International, J.P. Morgan SE and UniCredit Bank GmbH
Joint Lead Managers:	Banco Bilbao Vizcaya Argentaria, S.A. Banco Santander, S.A. 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
No fixed date for redemption:	The Securities are perpetual securities and have no fixed date for redemption. Unless previously redeemed, purchased or exchanged and cancelled, the Securities will become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date (as defined below) and any outstanding Arrears of Interest on the date on which a winding up, dissolution or liquidation of the Issuer (otherwise than for the purpose of a Permitted Reorganisation is instituted (the **Liquidation Event Date**), including in connection with any Insolvency Proceedings, in accordance with (i) any applicable legal provision, or any decision of any judicial or administrative authority, or (ii) any resolution passed at a shareholders' meeting of the Issuer or (iii) any provision which is set out in the by-laws of the Issuer

	from time to time (including the maturity of the Issuer which, as of the Issue Date, is set in its by-laws at 31 December 2100). **Permitted Reorganisation** means a solvent merger, reconstruction or amalgamation under which the assets and liabilities of the Issuer are assumed by the entity resulting from such merger, reconstruction or amalgamation, provided that (1) such entity assumes the obligations of the Issuer in respect of the Securities and (2) an opinion of an independent legal adviser, appointed by the Issuer at its own expense, of recognised standing in the Republic of Italy, has been delivered to the Fiscal Agent confirming the same prior to the effective date of such merger, reconstruction or amalgamation.
Status of the Securities and Subordination:	The Securities and the Coupons, including the obligations of the Issuer in respect of any Arrears of Interest, will constitute direct, unsecured and subordinated obligations of the Issuer. In the event of the winding-up, insolvency, dissolution or liquidation of the Issuer, the payment obligations of the Issuer in respect of the Securities and the Coupons, including its obligations in respect of any Arrears of Interest, will rank (a) senior only to the Issuer's payment obligations in respect of Junior Securities, (b) *pari passu* among themselves and *pari passu* with the Issuer's payment obligations in respect of any Parity Securities and (c) junior to all other payment obligations of the Issuer, present and future, whether subordinated (including any claims pursuant to Article 2411, first paragraph, of the Italian Civil Code) or unsubordinated, in each case except as otherwise provided by mandatory provisions of law.
Interest:	The Securities bear interest on their principal amount: (a) from (and including) the Issue Date to (but excluding) the First Reset Date, at the rate of 5.000 per cent. per annum, payable annually in arrear on each Interest Payment Date, commencing on 11 September 2024; and (b) from (and including) the First Reset Date to (but excluding) the date of any redemption or repurchase pursuant to Condition 7 (*Redemption and Purchase*) of the Terms and Conditions of the Securities, at, in

	respect of each Reset Period, the relevant EUR 5 year Swap Rate plus: (A) in respect of the Reset Period commencing on the First Reset Date and ending on but excluding the Reset Date falling on 11 September 2034 (the **First Reset Period**), 2.258 per cent. per annum; (B) in respect of the Reset Periods commencing on or after 11 September 2034 and ending on but excluding the Reset Date falling on 11 September 2049 (the **Second Reset Period**), 2.508 per cent. per annum; and (C) in respect of the Reset Periods commencing on or after 11 September 2049 and any Reset Period following thereafter (the **Third Reset Period)**, 3.258 per cent. per annum.
Interest Payment Dates:	Subject as described under "*Optional Interest Deferral and Arrears of Interest*" below, interest in respect of the Securities will be payable annually in arrear on 11 September in each year (each an **Interest Payment Date**) commencing on 11 September 2024.
Optional Interest Deferral and Arrears of Interest:	The Issuer may, at any time and at its sole discretion, elect to defer in whole, or in part, any payment of interest accrued on the Securities in respect of any Interest Period (a **Deferred Interest Payment**) by giving notice (a **Deferral Notice**) of such election to the Securityholders in accordance with Condition 13 (*Notices*) of the Terms and Conditions of the Securities, and to the Fiscal Agent and each Paying Agent at least 5, but not more than 30, Business Days prior to the relevant Interest Payment Date. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Securities or for any other purpose unless such Arrears of Interest becomes due and payable in accordance with the Terms and Conditions of the Securities. Any Deferred Interest Payment will be deferred and shall constitute **Arrears of Interest**. Any Arrears of Interest will remain outstanding until paid in full by

	the Issuer, but Arrears of Interest shall not itself bear interest.
Optional Settlement of Arrears of Interest:	The Issuer may pay any outstanding Arrears of Interest (in whole or in part) at any time upon giving not less than 10 and not more than 15 Business Days' notice to the Securityholders in accordance with Condition 13 (*Notices*) of the Terms and Conditions of the Securities (which notice shall be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in such notice) and to the Fiscal Agent and each Paying Agent at least 5, but not more than 30, Business Days prior to the relevant due date for payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.
Mandatory Settlement of Arrears of Interest:	All (but not some only) of any outstanding Arrears of Interest from time to time in respect of all Securities for the time being outstanding shall become due and payable in full and shall be paid by the Issuer on the first occurring Mandatory Settlement Date. **Mandatory Settlement Date** means the earliest of: i. the tenth Business Day following the date on which a Compulsory Arrears of Interest Settlement Event occurs; ii. following any Deferred Interest Payment, the next scheduled Interest Payment Date on which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and iii. the date on which the Securities are redeemed or repaid in accordance with Condition 7 (*Redemption and Purchase*) or become due and payable in accordance with Condition 11 (*Enforcement on the Liquidation Event Date and No Events of Default*), including at the Liquidation Event Date (unless otherwise required by mandatory provisions of applicable law). A **Compulsory Arrears of Interest Settlement Event** shall occur if: (a) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Securities, except where (i) such dividend was paid in the form

	of the issuance (or transfer from treasury) of ordinary shares; (ii) such dividend, other distribution or payment was required to be resolved on, declared, paid or made in respect of any stock option plans or employees' share schemes; or (iii) such dividend, other distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities (including, for the avoidance of doubt, where such dividend, other distribution or payment was declared by the Issuer before the earliest notice given by the Issuer in accordance with Condition 4.2(a) (*Optional Interest Deferral*) in respect of the then outstanding Arrears of Interest); or (b) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Parity Securities, except where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Parity Securities (including, without limitation, where any such payment occurs mandatorily at the maturity of such Parity Securities and, for the avoidance of doubt, where such dividend, other distribution or payment was declared by the Issuer before the earliest notice given by the Issuer in accordance with Condition 4.2(a) (*Optional Interest Deferral*) in respect of the then outstanding Arrears of Interest); or (c) the Issuer or any Subsidiary has repurchased, purchased, redeemed or otherwise acquired any Junior Securities, except where (x) such repurchase, purchase, redemption or acquisition was undertaken in connection with the satisfaction by the Issuer or any Subsidiary of its respective obligations under (i) any share buy-back programme existing at the Issue Date or (ii) any stock option plan or free share allocation plan reserved for Directors, officers and/or employees of the Issuer (or, as applicable, its Subsidiary) or any associated hedging transaction or (y) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities; or

	(d) the Issuer or any Subsidiary has repurchased, purchased, redeemed or otherwise acquired any Parity Securities, except where (x) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Securities (including, without limitation, where any such payment occurs mandatorily at the maturity of such Parity Securities) or (y) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value; or (e) the Issuer or any Subsidiary has repurchased any of the Securities, except where such repurchase is effected as a public tender offer or public exchange offer at a purchase price per Security which is below its par value, provided that a Compulsory Arrears of Interest Settlement Event shall not occur pursuant to paragraph (b) above in respect of any pro rata payment of deferred or arrears of interest on any Parity Securities which is made simultaneously with a pro rata payment of any Arrears of Interest provided that such pro rata payment of deferred or arrears of interest on a Parity Security is not proportionately more than the pro rata settlement of any such Arrears of Interest.
Early Redemption:	The Issuer may redeem all, but not some only, of the Securities on any date during the period commencing on (and including) 11 June 2029 and ending on (and including) the First Reset Date or on any Interest Payment Date thereafter (each such date, a **Call Date**) in each case at their principal amount together with any accrued interest up to (but excluding) the relevant Call Date and any outstanding Arrears of Interest. The Issuer may also redeem all, but not some only, of the Securities at the applicable Early Redemption Price at any time upon the occurrence of a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event, or an Accounting Event. The Issuer may also redeem all, but not some only, of the Securities on any day prior to 11 June 2029 (the date falling 3 months before the First Reset

	Date) at the applicable Make-whole Redemption Amount. In the event that at least 75 per cent. of the initial aggregate principal amount of the Securities issued (including any Securities which, pursuant to Condition 15 (*Further Issues*), form a single series with the Securities issued) has been purchased by or on behalf of the Issuer or a Subsidiary and has been cancelled (a **Substantial Repurchase Event**), the Issuer may redeem all of the outstanding Securities (but not some only) at the applicable Early Redemption Price. The Early Redemption Price will be determined as follows: (i) in the case of a Withholding Tax Event or a Substantial Repurchase Event, 100 per cent. of the principal amount of the Securities then outstanding; or (ii) in the case of an Accounting Event, a Tax Deductibility Event or a Rating Methodology Event, either: (a) 101 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls prior to 11 June 2029 (being the date falling 3 months prior to the First Reset Date); or (b) 100 per cent. of the principal amount then outstanding of the Securities if the Early Redemption Date falls on or after 11 June 2029 (being the date falling 3 months prior to the First Reset Date), and in each case together with any accrued interest up to, but excluding, the relevant Early Redemption Date and any outstanding Arrears of Interest. For further details, see Condition 7 (*Redemption and Purchase*) of the Terms and Conditions of the Securities.
Accounting Event:	If an Accounting Event occurs, the Issuer may redeem all (but not some only) of the Securities, at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal

	Agent, each Paying Agent and the Securityholders in accordance with Condition 13 (*Notices*). The Issuer may notify the redemption of the Securities as a result of the occurrence of an Accounting Event from (and including) the date on which the Change is officially adopted, which may fall before the date on which the Change will come into effect. For further details, see Condition 7.6 (*Early Redemption following an Accounting Event*) of the Terms and Conditions of the Securities
Rating Methodology Event:	If a Rating Methodology Event occurs, the Issuer may redeem all of the Securities (but not some only), at any time at the applicable Early Redemption Price and upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal Agent, each Paying Agent and the Securityholders in accordance with Condition 13 (*Notices*). For further details, see Condition 7.5 (*Early Redemption following a Rating Methodology Event*) of the Terms and Condition of the Securities.
Purchases:	The Issuer or any Subsidiary may at any time purchase Securities (provided that all unmatured Coupons appertaining to the Securities are purchased with the Securities) in any manner and at any price. Such Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.
Exchange or Variation:	If the Issuer determines that a Withholding Tax Event, a Tax Deductibility Event, a Rating Methodology Event or an Accounting Event has occurred and is continuing, and has provided the Fiscal Agent with the relevant certificate and opinion, letter or report, or in the case of a Rating Methodology Event only, the Rating Agency Confirmation, referred to in Conditions 7.3 (*Early Redemption following a Withholding Event*), 7.4 (*Early Redemption following a Tax Deductibility Event*), 7.5 (*Early Redemption following a Rating Methodology Event*) or 7.6 (*Early Redemption following an Accounting Event*) (as applicable), then the Issuer may, without any requirement for the consent or approval of the Securityholders or Couponholders and subject to the pre-conditions set out in Condition 8.2, which include that the terms of the exchange or variation, in the sole opinion of the Issuer (acting reasonably) are not prejudicial to the interests of the Securityholders (as a class) and

	having given not less than 10 nor more than 60 Business Days' notice to the Fiscal Agent and, in accordance with Condition 13 (*Notices*), to the relevant Securityholders (which notice shall be irrevocable), as an alternative to an early redemption of the relevant Securities at any time (i) exchange the Securities for new securities (to the extent permitted by applicable laws and regulations) (such new securities, the **Exchanged Securities**) or (ii) vary the terms of the relevant Securities (the Securities as so varied, the **Varied Securities**), so that, immediately following such exchange or variation, no Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event applies in respect of the Exchanged Securities or, as applicable, the Varied Securities.
Withholding Tax and Additional Amounts:	The Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Securityholders and Couponholders after withholding or deduction for or on account of any Taxes imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Securities or, as the case may be, Coupons in the absence of such withholding or deduction, subject to customary exceptions, as described in Condition 9 (*Taxation*) of the Terms and Conditions of the Securities.
Liquidation Event Date:	There are no events of default in relation to the Securities. On the Liquidation Event Date, the Securities will become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest. On or following the Liquidation Event Date, each Securityholder may, at its discretion and without further notice, institute steps in order to obtain a judgment against the Issuer for any amounts due and payable in respect of the Securities, including the institution of Insolvency Proceedings against the Issuer or the filing of a proof of claim and participation in any Insolvency Proceedings or proceedings for the liquidation, dissolution or winding-up of the Issuer (in which Insolvency Proceedings, liquidation, dissolution or winding-up the Securities shall immediately be due and payable

	at their principal amount together with any accrued but unpaid interest up to (but excluding) the date on which the Securities become so due and payable and any outstanding Arrears of Interest).
Meetings of Securityholders:	The Terms and Conditions of the Securities and the Agency Agreement contain provisions for convening meetings of Securityholders to consider any matter affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.
Listing, admission to trading and approval:	Application has been made to the CSSF to approve the Prospectus as a prospectus under Regulation (EU) 2017/1129 (as amended) (the **Prospectus Regulation**). Application has also been made to the Luxembourg Stock Exchange for the Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.
Governing Law:	The Securities, the Coupons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them, will be governed by, and construed in accordance with, English law, save for the provisions contained in Condition 3 (*Status and Subordination*) of the Terms and Conditions of the Securities in respect of status and subordination which will be governed by Italian law and Condition 14 (*Meetings of the Securityholders and Modification*) of the Terms and Conditions of the Securities and the provisions of the Agency Agreement concerning the meeting of Securityholders and the appointment of the Securityholders' representative (*rappresentante comune*) which are subject to compliance with Italian law.
Form and denomination:	The Securities will be issued in bearer form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.
Credit Rating:	The Securities are expected to be rated "Ba1" by Moody's and "BB+" by S&P. Each of Moody's and S&P is established in the European Union and is registered under the CRA Regulation. As such each of Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at

	http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. The rating Moody's has given to the Securities is endorsed by Moody’s Investors Service Ltd, which is established in the UK and registered under the UK CRA Regulation. The rating S&P has given to the Securities is endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Securities in the United States, the EEA (including, for these purposes, without limitation, Belgium and the Republic of Italy), the United Kingdom, Japan, Singapore and such other restrictions as may be required in connection with the offering and sale of the Securities. See "*Subscription and Sale*".
Use of Proceeds:	An amount equal to the net proceeds of the issue of the Securities will be applied by the Issuer to finance or refinance, in whole or in part, Eligible Green Projects in accordance with the Sustainable Finance Framework. In this respect, the Securities will be denominated “Green Bonds”. In case of project divestment, an amount equal to the net proceeds of the “Green Bonds” will be used to finance or refinance other Eligible Green Projects. See "*Use of Proceeds*".
Intention regarding redemption and repurchase of the Securities:	The following text shall not form part of the Terms and Conditions of the Securities: *The Issuer intends (without thereby assuming a legal obligation) that it will redeem or repurchase the Securities only to the extent that the part of the aggregate principal amount of the Securities to be redeemed or repurchased which was assigned “equity credit” (or such similar nomenclature used by S&P from time to time) at the time of the issuance of the Securities does not exceed such part of the net proceeds received by the Issuer (or by any Subsidiary of the Issuer) prior to the date of such redemption or repurchase from the sale or issuance of securities by the Issuer (or by such Subsidiary) to third party purchasers (other than group entities of the Issuer) which was assigned by S&P “equity credit” (or such similar nomenclature used by S&P from time to time) at the time of sale or issuance of such securities (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities), unless:*

	(a) *the rating (or such similar nomenclature then used by S&P) assigned by S&P to the Issuer is at least equal to the rating assigned to the Issuer on the date of the most recent hybrid security issuance (excluding any refinancing without net new issuance) which was assigned by S&P an "equity credit" similar to the Securities and the Issuer is of the view that such rating, would not fall below this level as a result of such redemption or repurchase, or* *(b)* *in the case of a repurchase and/or redemption of the Securities taken together with other repurchases or redemptions of hybrid securities of the Issuer (as the case may be) which are less than (a) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 10 consecutive years provided that in each case such repurchase or redemption has no materially negative effect on the Issuer's credit profile, or* *(c)* *the Securities are redeemed pursuant to a Tax Deductibility Event or a Withholding Tax Event, or an Accounting Event or a Substantial Repurchase Event or a Rating Methodology Event; or* *(d)* *the Securities are not assigned an "equity credit" by S&P (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase, or* *(e)* *in the case of a repurchase, such repurchase relates to an aggregate principal amount of Securities which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its then prevailing methodology; or* *(f)* *such redemption or repurchase occurs on or after the Reset Date falling on 11 September 2049.*

	Terms used but not defined in the preceding text shall have the meanings set out in the Terms and Conditions of the Securities.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Securities, including risks relating to the structure of the Issuer, industry and business-related risks, financial risks, insurance services risks and regulatory and legal risks. In addition, there are certain factors that are material for the purpose of assessing the market risks associated with the Securities, including risks related to the structure of the Securities, risks related to the Securities generally, risks related to the market generally and risks related to the taxation and accounting treatment of the Securities. These are set out under "*Risk Factors*".

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated by reference in, and form part of, this Prospectus:

(a) the sections "Description of the Issuer" and "Regulation" in EMTN Programme Base Prospectus of the Issuer dated 24 May 2024, available at https://content.gruppoa2a.it/sites/default/files/2024-05/a2a-base-prospectus-may-2024.pdf (the **Base Prospectus**) as included on the following pages:

(b) the English translation of the auditors' report and audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2023 of the Issuer, available at https://content.gruppoa2a.it/sites/default/files/2024-04/consolidated-financial-statements-2023.pdf, including the information set out at the following pages:

(c) the English translation of the report on operation for the financial year ended 31 December 2023 (the **Report on Operation 2023**), available at https://content.gruppoa2a.it/sites/default/files/2024-04/report-operation-2023.pdf including the information set out at the following pages:

(d) the English translation of the consolidated disclosure of non-financial information in accordance with Italian Legislative Decree no. 254/2016 for the year ended 31 December 2023 of the Issuer (the **Integrated Report 2023**), available at https://content.gruppoa2a.it/sites/default/files/2024-03/integrated-financial-statements-2023.pdf including the information set out at the following pages:

(e) the English translation of the auditors' report and audited consolidated financial statements of the Issuer as at and for the financial year ended 31 December 2022 of the Issuer, available at https://content.gruppoa2a.it/sites/default/files/2023-04/consolidated-financial-statements-2022.pdf including the information set out at the following pages:

(f) the English translation of the report on operation for the financial year ended 31 December 2022 (the **Report on Operation 2022**), available at https://content.gruppoa2a.it/sites/default/files/2023-04/report-on-operations-2022.pdf including the information set out at the following pages:

(g) the English translation of the consolidated disclosure of non-financial information in accordance with Italian Legislative Decree no. 254/2016 for the year ended 31 December 2022 (the **Integrated Report 2022**) of the Issuer, available at https://content.gruppoa2a.it/sites/default/files/2023-04/2022-integrated-report.pdf, including the information set out at the following pages:

(h) The press release headed "A2A, Results as of March 31, 2024" published by A2A on 14 May 2024 and available at https://content.gruppoa2a.it/sites/default/files/2024-05/140524-1q-results-a2a.pdf , including the information set out at the following pages:

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts no listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Fiscal Agent and will also be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

Any websites included in this Prospectus are for information purposes only and do not form part of this Prospectus.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities which (subject to modification) will be endorsed on each Security in definitive form (if issued). The terms and conditions applicable to any Security in global form will differ from those terms and conditions which would apply to the Security were it in definitive form to the extent described under "Overview of Provisions relating to the Securities in Global Form".

Text set out within the Terms and Conditions of the Securities in italics is provided for information only and does not form part of the Terms and Conditions of the Securities.

The €750,000,000 Perpetual Subordinated Non-Call 5.25 Fixed Rate Reset Securities (the **Securities**, which expression shall in these Conditions, unless the context otherwise requires, include any further securities issued pursuant to Condition 15 (*Further Issues*) and forming a single series with the Securities) of A2A S.p.A. (the **Issuer**) are issued subject to and with the benefit of an agency agreement dated 11 June 2024 (such agreement as amended, supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer and Citibank Europe plc as fiscal agent and principal paying agent (the **Fiscal Agent**) and as agent bank (the **Agent Bank**) and any other initial paying agents named in the Agency Agreement (together with the Fiscal Agent and the Agent Bank, the **Paying Agents**).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Securities (the **Securityholders**) and the holders of the interest coupons and the talons (**Talons**) for further interest coupons appertaining to the Securities (the **Couponholders** and the **Coupons** (which expressions shall in these Conditions, unless the context otherwise requires, include the holders of the Talons and the Talons) at the specified office of each of the Paying Agents. The Securityholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent, the Agent Bank and the Paying Agents shall include any successor appointed under the Agency Agreement.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Securities are in bearer form, serially numbered, in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000, each with Coupons and one Talon attached on issue. Securities of one denomination may not be exchanged for Securities of another denomination.

1.2 Title

Title to the Securities and to the Coupons will pass by delivery.

1.3 Holder Absolute Owner

The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Security or Coupon as the absolute owner for all purposes (whether or not the Security or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Security or Coupon or any notice of previous loss or theft of the Security or Coupon or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer and no person shall be liable for so treating such holder.

2. DEFINITIONS AND INTERPRETATION

As used in these Conditions:

An **Accounting Event** shall occur if as a result of a change in the accounting practices or principles applicable to the Issuer (or a change in the interpretation thereof), which currently are the international accounting standards (International Accounting Standards — IAS and International Financial Reporting Standards — IFRS) issued by the International Accounting Standards Board (IASB), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), adopted by the European Union pursuant to Regulation (EC) 1606/2002 (**IFRS**), or any other accounting standards that may replace IFRS which becomes effective or applicable on or after the Issue Date (the **Change**), the obligations of the Issuer in respect of the Securities following the official adoption of such Change, which may fall before the date on which the Change will come into effect, can no longer be fully recorded as "equity" (*strumento di capitale*), in accordance with accounting practices or principles applicable to the Issuer at the time of the next Financial Statements (following such Change), and a recognised accountancy firm of international standing, acting upon instructions of the Issuer, has delivered an opinion, letter or report addressed to the Issuer to that effect.

Accrual Period has the meaning given to it in Condition 4.1(c) (*Calculation of Interest*).

Additional Amounts has the meaning given to it in Condition 9.1 (*Payment without Withholding*).

Adjustment Spread means either (a) a spread (which may be positive, negative or zero) or (b) the formula or methodology for calculating a spread, in either case which 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 Securityholders and Couponholders 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:

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

(B) if no recommendation under paragraph (A) has been made, or in the case of an Alternative Rate, 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); or

(C) if the Issuer determines that no such industry standard is recognised or acknowledged, the Independent Adviser determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5.2 (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in Euro and with an interest period of a comparable duration to the relevant Reset Period.

Arrears of Interest has the meaning given to it in Condition 4.2(a) (*Optional Interest Deferral*).

Benchmark Amendments has the meaning given to it in Condition 5.4 (*Benchmark Amendments*).

Benchmark Event means:

(A) the Original Reference Rate ceasing to be published on the relevant screen page as a result of such benchmark ceasing to be calculated or administered; or

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

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

(D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, by a specified date on or prior to the next Reset Interest Determination Date, be prohibited from being used, or that its use will be subject to restrictions or adverse consequences, either generally, or in respect of the Securities; or

(E) it has or will, by a specified date on or prior to the next Reset Interest Determination Date, become unlawful for the Agent Bank or Paying Agents to calculate any payments due to be made to the Securityholders using the Original Reference Rate including, without limitation, under the Benchmarks Regulation, if applicable; or

(F) the making of a public statement by the supervisor of the administrator of the Original Reference Rate announcing that (i) such Original Reference Rate is no longer representative of any underlying market; or (ii) the methodology to calculate the Original Reference Rate has materially changed; or

(G) the European Commission or the competent national authority of a Member State having designated one or more replacement benchmarks for an Original Reference Rate pursuant to Article 23b (2) and Article 23c (1) of Benchmarks Regulation,

provided that in the case of sub-paragraphs (B), (C) and (D), the Benchmark Event shall occur on the later of (i) the date which is six months prior to the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be and (ii) the date of the relevant public statement.

Benchmarks Regulation means Regulation (EU) No. 2016/1011, as amended.

Business Day means a day which is both 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 London and Rome and a T2 Settlement Day.

Calculation Amount has the meaning given to it in Condition 4.1(c) (*Calculation of Interest*).

Calculation Date means the third Business Day preceding the Make-whole Redemption Date.

Call Date has the meaning given to it in Condition 7.2 (*Optional Redemption*).

Code has the meaning given to it in Condition 6.4 (*Payments subject to Applicable Laws*).

A **Compulsory Arrears of Interest Settlement Event** shall have occurred if:

(A) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Securities, except where (i) such dividend was paid in the form of the issuance (or transfer from treasury) of ordinary shares; (ii) such dividend, other distribution or payment was required to be resolved on, declared, paid or made in respect of any stock option plans or employees' share schemes; or (iii) such dividend, other distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities (including, for the avoidance of doubt, where such dividend, other distribution or payment was declared by the Issuer before the earliest notice given by the Issuer in accordance with Condition 4.2(a) (*Optional Interest Deferral*) in respect of the then outstanding Arrears of Interest); or

(B) a dividend (either interim or final), or any other distribution or payment was validly resolved on, declared, paid or made in respect of any Parity Securities, except where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Parity Securities (including, without limitation, where any such payment occurs mandatorily at the maturity of such Parity Securities and, for the avoidance of doubt, where such dividend, other distribution or payment was declared by the Issuer before the earliest notice given by the Issuer in accordance with Condition 4.2(a) (*Optional Interest Deferral*) in respect of the then outstanding Arrears of Interest); or

(C) the Issuer or any Subsidiary has repurchased, purchased, redeemed or otherwise acquired any Junior Securities, except where (x) such repurchase, purchase, redemption or acquisition was undertaken in connection with the satisfaction by the Issuer or any Subsidiary of its respective obligations under (i) any share buy-back programme existing at the Issue Date or (ii) any stock option plan or free share allocation plan reserved for Directors, officers and/or employees of the Issuer (or, as applicable, its Subsidiary) or any associated hedging transaction or (y) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities; or

(D) the Issuer or any Subsidiary has repurchased, purchased, redeemed or otherwise acquired any Parity Securities, except where (x) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Securities (including, without limitation, where any such payment occurs mandatorily at the maturity of such Parity Securities) or (y) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value; or

(E) the Issuer or any Subsidiary has repurchased any of the Securities, except where such repurchase is effected as a public tender offer or public exchange offer at a purchase price per Security which is below its par value,

provided that a Compulsory Arrears of Interest Settlement Event shall not occur pursuant to paragraph (B) above in respect of any pro rata payment of deferred or arrears of interest on any Parity Securities which is made simultaneously with a pro rata payment of any Arrears of Interest provided that such pro rata payment of deferred or arrears of interest on a Parity Security is not proportionately more than the pro rata settlement of any such Arrears of Interest.

Decree No. 239 means Italian Legislative Decree No. 239 of 1 April 1996, as amended and/or supplemented.

Decree No. 917 means Italian Presidential Decree No. 917 of 22 December 1986, as amended and/or supplemented.

Deferral Notice has the meaning given to it in Condition 4.2(a) (*Optional Interest Deferral*).

Deferred Interest Payment has the meaning given to it in Condition 4.2(a) (*Optional Interest Deferral*).

Determination Period has the meaning given to it in Condition 4.1(c) (*Calculation of Interest*).

Director means a member of the Board of Directors of the Issuer.

Early Redemption Date means the date of redemption of the Securities pursuant to Condition 7.3 (*Early Redemption following a Withholding Tax Event*), Condition 7.4 (*Early Redemption following a Tax Deductibility Event*), Condition 7.5 (*Early Redemption following a Rating Methodology Event*), Condition 7.6 (*Early Redemption following an Accounting Event*) and Condition 7.8 (*Purchases and Substantial Repurchase Event*).

Early Redemption Price will be the amount determined by the Agent Bank on the Redemption Calculation Date as follows:

(A) in the case of a Withholding Tax Event or a Substantial Repurchase Event, 100 per cent. of the principal amount of the Securities then outstanding; or

(B) in the case of an Accounting Event, a Tax Deductibility Event or a Rating Methodology Event, either:

(i) 101 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls prior to 11 June 2029 (being the date falling 3 months prior to the First Reset Date); or

(ii) 100 per cent. of the principal amount of the Securities then outstanding if the Early Redemption Date falls on or after 11 June 2029 (being the date falling 3 months prior to the First Reset Date),

and in each case together with any accrued interest up to, but excluding, the relevant Early Redemption Date and any outstanding Arrears of Interest.

equity credit shall include such other nomenclature as any Rating Agency may use from time to time to describe the degree to which an instrument exhibits the characteristics of an ordinary share.

EUR 5 year Swap Rate has the meaning given to it in Condition 4.1(b) (*Determination of EUR 5 year Swap Rate*).

EUR 5 year Swap Rate Quotation means, in relation to any Reset Period, 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 which (i) has a term of 5 years commencing on the relevant Reset Interest Determination Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

EUR Reset Reference Bank Rate means the percentage rate determined by the Agent Bank on the basis of the EUR 5 year Swap Rate Quotations provided by the EUR Reset Reference Banks to the Issuer and notified to the Agent Bank at approximately 11:00 a.m. (CET) on the relevant Reset Interest Determination Date.

EUR Reset Reference Banks means five major banks in the Euro-zone interbank market selected by the Issuer.

EUR Reset Screen Page means the Thomson Reuters screen "ICESWAP2 / EURSFIXA" (or such other page as may replace it on Thomson Reuters or, as the case may be, on such other information service that may replace Reuters providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the EUR 5 year Swap Rate).

EURIBOR means the Euro-zone interbank offered rate.

Exchanged Securities has the meaning given to it in Condition 8 (*Exchange or Variation upon a Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event and Preconditions to such Exchange or Variation*).

Financial Statements means either of:

(A) audited annual consolidated financial statements of the Issuer; or

(B) unaudited condensed consolidated half-year financial statements of the Issuer which are subject to a formal "review" from an independent auditor,

in each case prepared in accordance with IFRS or any successor accounting standards applicable to the Issuer.

First Reset Date means 11 September 2029.

Group means the Issuer and its Subsidiaries from time to time.

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international capital markets, in each case appointed by the Issuer under Condition 5.1 (*Benchmark Discontinuation – Independent Adviser*).

Insolvency Proceedings means any insolvency proceedings (*procedura concorsuale*) or proceedings equivalent or analogous thereto under the laws of any applicable jurisdiction, including, but not limited to, judicial liquidation (*liquidazione giudiziale*), composition with creditors (*concordato preventivo*) (including "*concordato preventivo con riserva*" pursuant to Article 44 of the Italian Business Crisis and Insolvency Code), composition with creditors in the judicial liquidation (*concordato nella liquidazione giudiziale*), compulsory administrative liquidation (*liquidazione coatta amministrativa*), extraordinary administration for large companies (*amministrazione straordinaria delle grandi imprese insolventi*) pursuant to Legislative Decree No. 270 of 8 July 1999, extraordinary administration for the industrial restructuring of large insolvent companies (*amministrazione straordinaria per la ristrutturazione industrial delle grandi imprese insolventi*) pursuant to Law Decree No. 347 of December 23, 2003, debt restructuring agreements (*accordo di ristrutturazione dei debiti*), reorganisation plans (*piani attestati di risanamento*), negotiated crisis composition procedure (*composizione negoziata per la soluzione della crisi di impresa*) pursuant to Chapter I, Title II of the Italian Business Crisis and Insolvency Code, simplified composition with creditors for the liquidation of the assets (*concordato semplificato per la liquidazione del patrimonio*) pursuant to Article 25-*sexies* of the Italian Business Crisis and Insolvency Code, restructuring plan subject to homologation (*piano di ristrutturazione soggetto a omologazione*) pursuant to Article 64-*bis* of the Italian Business Crisis and Insolvency Code, the undertaking of any court-approved restructuring with creditors or the making of any application (or filing of documents with a court) for the appointment of an administrator, liquidator or other receiver (*curatore*), manager administrator (*commissario straordinario* or *commissario liquidatore*) or other similar official, under any applicable law.

Interest Payment Date means 11 September in each year, commencing on, and including, 11 September 2024.

Interest Period means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date, ending on the date of any redemption or repurchase pursuant to Condition 7 (*Redemption and Purchase*) of the Terms and Conditions of the Securities.

Issue Date means 11 June 2024.

Italian Business Crisis and Insolvency Code means the Italian Legislative Decree No. 14 of 2019, as amended from time to time.

Junior Securities means:

(A) the ordinary shares (*azioni ordinarie*) of the Issuer;

(B) any other class of the Issuer's share capital (including savings shares (*azioni di risparmio*) and preferred shares (*azioni privilegiate*)) (if any); and

(C) (i) any securities of the Issuer (including *strumenti finanziari* issued under Article 2346 of the Italian Civil Code); and

(ii) any securities issued by a company other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer,

which securities (in the case of (C)(i)) or guarantee or similar instrument (in the case of (C)(ii)) rank or are expressed to rank *pari passu* with the claims described under (A) and (B) above and/or junior to the Securities.

Liquidation Event Date has the meaning given to it in Condition 7.1 (*No fixed redemption*).

Make-whole Margin means 0.40 per cent. per annum.

Make-whole Redemption Amount means the amount which is equal to (i) the greater of (a) the principal amount of the Securities and (b) the sum of the then present values of the remaining scheduled payments of principal and interest on the Securities (determined on the basis of redemption of the Securities at their principal amount on 11 June 2029 (the date falling 3 months before the First Reset Date), and excluding any interest accrued up to (but excluding) the Make-whole Redemption Date and any outstanding Arrears of Interest) discounted to the Make-whole Redemption Date on an annual basis at a discount rate equal to the Make-whole Redemption Rate plus the Make-whole Margin, plus (ii) any interest accrued up to (but excluding) the Make-whole Redemption Date and any outstanding Arrears of Interest, all as determined by the Agent Bank and as notified on the Calculation Date by the Agent Bank to the Issuer.

Make-whole Redemption Date has the meaning given to it in Condition 7.7 (*Make-whole Redemption at the Option of the Issuer*).

Make-whole Redemption Rate means (a) the mid-market yield to maturity of the Reference Security which appears on the Relevant Make-whole Screen Page at 11:00 a.m. (Central European Time) on the Calculation Date or (b) to the extent that the mid-market yield to maturity does not appear on the Relevant Make-whole Screen Page at such time, the arithmetic average of the number of quotations given by the Reference Dealers to the Issuer of the mid-market yield to maturity of the Reference Security at or around 11:00 a.m. (Central European Time) on the Calculation Date.

Mandatory Settlement Date means the earliest of:

(A) the tenth Business Day following the date on which a Compulsory Arrears of Interest Settlement Event occurs;

(B) following any Deferred Interest Payment, on the next scheduled Interest Payment Date on which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period; and

(C) the date on which the Securities are redeemed or repaid in accordance with Condition 7 (*Redemption and Purchase*) or become due and payable in accordance with Condition 11 (*Enforcement on the Liquidation Event Date and No Events of Default*), including at the Liquidation Event Date (unless otherwise required by mandatory provisions of applicable law).

Mid-Swap Benchmark Rate means the annual mid-swap rate referred to in the definition of EUR 5 year Swap Rate in Condition 4.1(b) (*Determination of EUR 5 year Swap Rate*).

Mid-Swap Floating Leg Benchmark Rate means the 6-month EURIBOR rate referred to in paragraph (iii) of the definition of EUR 5 year Swap Rate Quotation used in the determination of the EUR Reset Reference Bank Rate.

Moody's means Moody's France SAS.

Original Reference Rate means the Mid-Swap Benchmark Rate and/or the Mid-Swap Floating Leg Benchmark Rate, as applicable in accordance with these Conditions.

Parity Securities means:

(A) any securities or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* with the Issuer's obligations under the Securities; and

(B) any securities or other instruments issued by a company or entity other than the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which guarantee or similar instrument ranks or is expressed to rank *pari passu* with the Issuer's obligations under the Securities.

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;

Prevailing Interest Rate means the rate of interest payable on the Securities applicable from time to time pursuant to Condition 4 (*Interest and Interest Deferral*).

Rating Agency means any of Moody's or S&P, or any other rating entity belonging to the same group that replaces Moody's or S&P as the entity issuing the solicited rating on the Securities or any of their respective successors to the rating business thereof.

Rating Agency Confirmation means a written confirmation from a Rating Agency which has assigned ratings to the Issuer on a basis sponsored by the Issuer which is either received by the Issuer directly from the relevant Rating Agency or indirectly via publication by such Rating Agency.

A **Rating Methodology Event** shall be deemed to have occurred if the Issuer has received a Rating Agency Confirmation stating that:

(A) due to an amendment to, clarification of or change in the "equity credit" (or such similar nomenclature then used by such Rating Agency) criteria of such Rating Agency, which amendment, clarification or change has occurred after the Relevant Rating Date, (a) all or any of the Securities are no longer eligible for the same or a higher amount of equity credit attributed to the Securities on the Relevant Rating Date or (b) the period of time during which such Rating Agency assigns to the Securities a particular level of equity credit will be shortened as compared to the period of time for which such Rating Agency had assigned to the Securities that level of equity credit on the Relevant Rating Date; or

(B) following a Refinancing Event, the Securities would no longer have been eligible (had such Refinancing Event not occurred), due to an amendment, clarification or change in the “equity credit” (or such similar nomenclature then used by such Rating Agency) criteria, for the same or a higher amount of equity credit attributed to the Securities on the Relevant Rating Date.

Redemption Calculation Date means the fourth Business Day prior to the relevant Early Redemption Date.

Reference Dealers means 5 major investment banks in the swap, money or securities market as may be selected by the Issuer.

Reference Security means Bund DBR 0.00% 15 August 2029 (ISIN DE0001102473). If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Reference Dealers at 11:00 a.m. (Central European Time) on the Calculation Date, quoted in writing by the Reference Dealers to the Issuer and published in accordance with Condition 13 (*Notices*), and such Similar Security shall replace the previous Reference Security for the purposes of determination of the Make-whole Redemption Amount.

Refinancing Event means the refinancing, in whole or in part, of the Securities following the Relevant Rating Date and, as a result of such refinancing, the Securities having become eligible for a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Securities by such Rating Agency on the Relevant Rating Date.

Relevant Date means the date on which any payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal 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 Securityholders in accordance with Condition 13 (*Notices*).

Relevant Make-whole Screen Page means the relevant Bloomberg screen page (or any successor or replacement page, section or other part of the information service), or such other page, section or other part as may replace it on the information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the mid-market yield to maturity for the Reference Security.

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

(A) the European Central Bank, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

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

Relevant Rating Date means the Issue Date or, if later, the date on which the Securities are assigned equity credit by the relevant Rating Agency for the first time;

Reset Date means the First Reset Date and each date falling on the fifth anniversary thereafter.

Reset Interest Determination Date means, in respect of any Reset Period, the day falling two Business Days prior to the beginning of the relevant Reset Period.

Reset Period means each period from and including the First Reset Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

S&P means S&P Global Ratings Europe Limited.

Similar Security means a reference security or reference securities issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Securities that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the first Call Date of the Securities.

Subsidiary means, in relation to 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; and

(c) whose accounts are required to be consolidated with those of the First Person pursuant to Article 26 of the Italian Legislative Decree No. 127 of 9 April 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.

A **Substantial Repurchase Event** shall be deemed to have occurred if, prior to the giving of the relevant notice of redemption, at least 75 per cent. of the aggregate principal amount of the Securities issued (including any Securities which, pursuant to Condition 15 (*Further Issues*), form a single series with the Securities issued) has been purchased by or on behalf of the Issuer or a Subsidiary and has been cancelled.

Successor Rate means the rate that the Independent Adviser determines is a successor to or replacement of the Original Reference Rate and which is formally recommended by any Relevant Nominating Body.

T2 Settlement Day means any 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.

A **Tax Deductibility Event** shall be deemed to have occurred if, as a result of a Tax Law Change, payments of interest by the Issuer in respect of the Securities are no longer, or within 90 calendar days of the date of any opinion provided pursuant to Condition 7.4(b)(ii) (*Early Redemption following a*

Tax Deductibility Event) will no longer be, deductible in whole or in part for Italian corporate income tax purposes (or entitlement to make such deduction shall be materially delayed or reduced), and the Issuer cannot avoid the foregoing by taking reasonable measures available to it. For the avoidance of doubt, a Tax Deductibility Event shall not occur if payments of interest by the Issuer in respect of the Securities are not deductible in whole or in part for Italian corporate income tax purposes solely as a result of general tax deductibility limits set forth by Article 96 of Decree No. 917 as at (and on the basis of the general tax deductibility limits calculated in the manner applicable as at) the Issue Date.

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 in respect of payments made by it of principal and interest on the Securities or Coupons.

Tax Law Change means (i) any amendment to, clarification of, or change in, the laws or treaties (or any regulations thereunder) of a Tax Jurisdiction affecting taxation, (ii) any governmental action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such governmental action (including an amendment, clarification or change resulting from a publicly available reply to a ruling or circular letter issued by a governmental authority) that differs from the previously generally accepted position (or interpretation resulting from a publicly available reply to a ruling or a circular letter), in each case, by any legislative body, court, governmental authority or regulatory body, which amendment, clarification, change or governmental action is effective, on or after the Issue Date.

Taxes means any present or future taxes, levies, imposts, duties or other charges or withholdings of whatever nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Varied Securities has the meaning given to it in Condition 8 (*Exchange or Variation upon a Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event and Preconditions to such Exchange or Variation*).

A **Withholding Tax Event** shall be deemed to have occurred if, following the Issue Date:

(A) as a result of a Tax Law Change, the Issuer has or will become obliged to pay Additional Amounts in respect of the Securities and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) a person into which the Issuer is merged or to whom it has conveyed, transferred or leased all or substantially all of its assets and who has been substituted in place of the Issuer as principal debtor under the Securities is required to pay Additional Amounts in respect of the Securities and such obligation cannot be avoided by such person taking reasonable measures available to it, unless the sole purpose of such a merger, conveyance, transfer or lease would be to permit the Issuer to redeem the Securities.

3. STATUS AND SUBORDINATION

3.1 Status

The Securities and the Coupons, including the obligations of the Issuer in respect of any Arrears of Interest, constitute direct, unsecured and subordinated obligations of the Issuer and rank and will at all times rank *pari passu* without any preference among themselves and with the Issuer's payment obligations in respect of any Parity Securities. The Securities constitute *obbligazioni* pursuant to Articles 2410 *et seq*. of the Italian Civil Code. The obligations of the Issuer in respect of the Securities and the Coupons are subordinated as described in Condition 3.2 (*Subordination*).

3.2 Subordination

The obligations of the Issuer to make payment in respect of principal and interest on the Securities and the Coupons, including its obligations in respect of any Arrears of Interest, will, in the event of the winding-up, insolvency, dissolution or liquidation of the Issuer, rank:

(a) senior only to the Issuer's payment obligations in respect of any Junior Securities;

(b) *pari passu* among themselves and with the Issuer's payment obligations in respect of any Parity Securities; and

(c) junior to all other payment obligations of the Issuer, present and future, whether subordinated (including any claims pursuant to Article 2411, first paragraph, of the Italian Civil Code) or unsubordinated,

in each case except as otherwise required by mandatory provisions of applicable law.

Nothing in this Condition 3.2 or Condition 11 (*Enforcement on the Liquidation Event Date and No Events of Default*) shall affect or prejudice the payment of costs, charges, expenses, liabilities or remuneration of the Fiscal Agent or Paying Agents or the Agent Bank or the rights and remedies of the Fiscal Agent or the Paying Agents or the Agent Bank in respect thereof.

3.3 No Set-off

To the extent and in the manner permitted by applicable law, no Securityholder or Couponholder may exercise, claim or plead any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, the Securities or the Coupons and each Securityholder and Couponholder will, by virtue of his holding of any Security or Coupon, be deemed to have waived all such rights of set-off, counterclaim, compensation or retention. The Issuer may not set off any claims it may have against the Securityholders against any of its obligations under the Securities or the Coupons, including its obligations in respect of any Arrears of Interest.

4. INTEREST AND INTEREST DEFERRAL

4.1 Interest

(a) ***Interest Rates and Interest Payment Dates***

Unless previously redeemed or repurchased and cancelled in accordance with these Conditions and subject to the further provisions of this Condition 4 (*Interest and Interest Deferral*), the Securities will bear interest on their principal amount as follows:

(i) from (and including) the Issue Date to (but excluding) the First Reset Date, at the rate of 5.000 per cent. per annum, payable annually in arrear on each Interest Payment Date, commencing on 11 September 2024 (being the **First Interest Payment Date**); and

(ii) from (and including) the First Reset Date to (but excluding) the date of any redemption or repurchase pursuant to Condition 7 (*Redemption and Purchase*) of the Terms and Conditions of the Securities, at, in respect of each Reset Period, the relevant EUR 5 year Swap Rate plus:

(A) in respect of the Reset Period commencing on the First Reset Date and ending on but excluding the Reset Date falling on 11 September 2034 (the **First Reset Period**), 2.258 per cent. per annum;

(B) in respect of the Reset Periods commencing on or after 11 September 2034 and ending on but excluding the Reset Date falling on 11 September 2049 (the **Second Reset Period**), 2.508 per cent. per annum; and

(C) in respect of the Reset Periods commencing on or after 11 September 2049 and any Reset Period following thereafter (the **Third Reset Period**), 3.258 per cent. per annum,

all as determined by the Agent Bank, payable annually in arrear on each Interest Payment Date, commencing on the First Interest Payment Date.

(b) ***Determination of EUR 5 year Swap Rate***

(i) For the purposes of these Conditions, the relevant **EUR 5 year Swap Rate**, in respect of a Reset Period, shall be the annual mid-swap rate as displayed on the EUR Reset Screen Page as at 11:00 a.m. (CET) on the relevant Reset Interest Determination Date.

(ii) If the relevant EUR 5 year Swap Rate does not appear on the EUR Reset Screen Page on the relevant Reset Interest Determination Date (other than as a result of a Benchmark Event), the Issuer shall request each of the EUR Reset Reference Banks to provide it and the Agent Bank with its EUR 5 year Swap Rate Quotation and the Agent Bank will determine the EUR 5 year Swap Rate as the EUR Reset Reference Bank Rate on the relevant Reset Interest Determination Date.

(iii) If at least three quotations are provided by the EUR Reset Reference Banks, the EUR 5 year Swap Rate will be determined by the Agent Bank on the basis of the arithmetic mean of the quotations provided, 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).

(iv) If only two quotations are provided, the EUR 5 year Swap Rate will be the arithmetic mean of the quotations provided.

(v) If only one quotation is provided, the EUR Reset Reference Bank Rate will be the quotation provided.

(vi) If no quotations are provided, the EUR Reset Reference Bank Rate for the relevant period will be equal to the last available EUR 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the EUR Reset Screen Page as obtained by the Agent Bank.

(c) ***Calculation of Interest***

The interest payable on each Security on any Interest Payment Date shall be calculated by the Agent Bank per €1,000 in principal amount of the Securities (the **Calculation Amount**). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the Prevailing Interest Rate for the Interest Period ending immediately prior to such Interest Payment Date, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

The day-count fraction will be calculated on the following basis:

(a) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the day-count fraction will be the number of days in the Accrual Period divided by the number of days in such Determination Period; and

(b) if the Accrual Period is longer than one Determination Period, the day-count fraction will be the sum of:

(i) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the number of days in such Determination Period; and

(ii) the number of days in such Accrual Period falling in the next Determination Period divided by the number of days in such Determination Period,

where:

Accrual Period means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last); and

Determination Period means the period from and including 11 September in any year to but excluding the next 11 September.

4.2 Interest Deferral

Subject to the provisions of the following paragraphs, on each Interest Payment Date, the Issuer shall pay interest on the Securities accrued to (but excluding) that date in respect of the Interest Period ending immediately prior to such Interest Payment Date.

(a) ***Optional Interest Deferral***

The Issuer may, at any time and at its sole discretion, elect to defer in whole, or in part, any payment of interest accrued on the Securities in respect of any Interest Period (a **Deferred Interest Payment**) by giving notice (a **Deferral Notice**) of such election to the Securityholders in accordance with Condition 13 (*Notices*) and to the Fiscal Agent and each Paying Agent at least 5, but not more than 30, Business Days prior to the relevant Interest Payment Date. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Securities or for any other purpose unless such Arrears of Interest becomes due and payable in accordance with these Conditions.

Any Deferred Interest Payment will be deferred and shall constitute **Arrears of Interest**. Any Arrears of Interest will remain outstanding until paid in full by the Issuer, but Arrears of Interest shall not itself bear interest.

(b) ***Optional Settlement of Arrears of Interest***

The Issuer may pay any outstanding Arrears of Interest (in whole or in part) at any time upon giving not less than 10 and not more than 15 Business Days' notice to the Securityholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and will oblige the Issuer to pay the relevant Arrears of Interest on the payment date specified in such notice) and to the Fiscal Agent and each Paying Agent, at least 5, but not more than 30, Business Days prior to the relevant due date for payment and specifying (i) the amount of Arrears of Interest to be paid and (ii) the date fixed for such payment.

(c) ***Mandatory Settlement of Arrears of Interest***

All (but not some only) of any outstanding Arrears of Interest from time to time in respect of all Securities for the time being outstanding shall become due and payable in full and shall be paid by the Issuer on the first occurring Mandatory Settlement Date.

Notice of the impending occurrence of any Mandatory Settlement Date shall be given to the Securityholders in accordance with Condition 13 (*Notices*) and to the Fiscal Agent and each Paying Agent at least 5, but not more than 30, Business Days prior to the relevant Mandatory Settlement Date.

4.3 Accrual of Interest

Unless previously purchased or redeemed or exchanged and subsequently cancelled, the Securities will cease to bear interest from (and including) the calendar day on which they are due for redemption or exchange, unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the Prevailing Interest Rate until whichever is the earlier of: (a) the date on which all amounts due in respect of the Securities have been paid; and (b) five days after the date on which full amount of the moneys payable in respect of the Securities have been received by the Fiscal Agent and notice to that effect has been given to the Securityholders in accordance with Condition 13 (*Notices*).

5. BENCHMARK DISCONTINUATION

5.1 Independent Adviser

If a Benchmark Event occurs (as determined by the Issuer) in relation to an Original Reference Rate to be used in the determination of the EUR 5 year Swap Rate when the Prevailing Interest Rate (or any component part thereof) remains to be determined by reference to such EUR 5 year Swap Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.2 (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5.3 (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 5.4 (*Benchmark Amendments*)) by no later than 10 Business Days prior to the Reset Interest Determination Date relating to the next Reset Period for which the Prevailing Interest Rate (or any component part thereof) is to be determined by reference to such EUR 5 year Swap Rate.

An Independent Adviser appointed pursuant to this Condition 5 (*Benchmark Discontinuation*) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, fraud and/or gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Agent Bank, any Paying Agent, the Securityholders or the Couponholders for any determination made by it pursuant to this Condition 5 (*Benchmark Discontinuation*).

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 5.1 (*Independent Adviser*) prior to the date which is 10 Business Days prior to the relevant Reset Interest Determination Date, the EUR 5 year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last available EUR 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the EUR Reset Screen Page. For the avoidance of doubt, any adjustment pursuant to this Condition 5.1 (*Independent Adviser*) shall apply to the immediately following Reset Period only and any subsequent Reset Periods shall be subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.1 (*Independent Adviser*).

5.2 Successor Rate or Alternative Rate

If the Independent Adviser determines that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5.3 (*Adjustment Spread*)) subsequently be used in place of the Original Reference

Rate to determine the EUR 5 year Swap Rate by reference to which the Prevailing Interest Rate (or the relevant component part thereof) is to be determined for all future payments of interest on the Securities (subject to the further operation of this Condition 5 (*Benchmark Discontinuation*)); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5.3 (*Adjustment Spread*) subsequently be used in place of the Original Reference Rate to determine the EUR 5 year Swap Rate by reference to which the Prevailing Interest Rate (or the relevant component part thereof) is to be determined for all future payments of interest on the Securities (subject to the further operation of this Condition 5 (*Benchmark Discontinuation*)).

5.3 Adjustment Spread

The Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Advisor, in circumstances where it is required to determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, is unable to determine the quantum of (or a formula or methodology for determining) such Adjustment Spread, then the Successor Rate or Alternative Rate (as the case may be) will apply without an Adjustment Spread.

5.4 Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5 (*Benchmark Discontinuation*) and the Independent Adviser determines (i) that amendments to these Conditions and the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or 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 5.5 (*Benchmark Event Notices*), without any requirement for the consent or approval of Securityholders or Couponholders, vary these Conditions and the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice and for the avoidance of doubt and subject as provided below, the Agent Bank shall, at the direction of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5 (*Benchmark Discontinuation*).

In connection with any such variation in accordance with this Condition 5.4 (*Benchmark Amendments*), the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Benchmark Amendments may comprise, by way of example, but without limitation, the following amendments: (A) amendments to the definition of "EUR 5 year Swap Rate" or "EUR 5 year Swap Rate Quotation"; (B) amendments to the day-count fraction and the definitions of "Business Day", "Interest Payment Date", "Prevailing Interest Rate", and/or "Interest Period" (including the determination of whether the Alternative Rate will be determined in advance of or prior to the relevant Interest Period or in arrear on or prior to the end of the relevant Interest Period); and/or (C) any change to the business day convention.

Notwithstanding any other provision of this Condition 5 (*Benchmark Discontinuation*), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of “equity credit” assigned to the Securities by any Rating Agency when compared to the “equity credit” assigned to the Securities immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency, (ii) result in shortening of the period of time “equity credit” is assigned / attributed to the

Securities by any Rating Agency, or (iii) otherwise prejudice the eligibility of the Securities for "equity credit" from any Rating Agency.

Notwithstanding any other provision of this Condition 5 (*Benchmark Discontinuation*), none of the Fiscal Agent, any Paying Agent or the Agent Bank shall be obliged to concur with the Issuer in respect of any Benchmark Amendments which, in the sole opinion of the Fiscal Agent, any Paying Agent or the Agent Bank, would have the effect of increasing the obligations or duties, or decreasing the rights or protections, of the Fiscal Agent, any Paying Agent or the Agent Bank in the Agency Agreement and/or these Conditions.

Notwithstanding any other provision of this Condition 5 (*Benchmark Discontinuation*), if in the Agent Bank's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5 (*Benchmark Discontinuation*), the Agent Bank shall promptly notify the Issuer thereof and the Issuer shall direct the Agent Bank in writing as to which alternative course of action to adopt. If the Agent Bank is not promptly provided with such direction or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Agent Bank shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

5.5 Benchmark Event Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5 (*Benchmark Discontinuation*) will be notified promptly and in any event no later than 10 Business Days prior to the relevant Reset Interest Determination Date by the Issuer to the Fiscal Agent, the Agent Bank and each Paying Agent and, in accordance with Condition 13 (*Notices)*, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

5.6 Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5.1 (*Independent Adviser*) to Condition 5.4 (*Benchmark Amendments*), any Original Reference Rate and the fallback provisions provided for in Condition 4.1(b) (*Determination of EUR 5 year Swap Rate*) will continue to apply in relation to the EUR 5 year Swap Rate and the EUR 5 year Swap Rate Quotation unless and until a Benchmark Event has occurred (as determined by the Issuer).

6. PAYMENTS AND EXCHANGES OF TALONS

Provisions for payments in respect of Global Securities are set out under "Overview of Provisions Relating to the Securities in Global Form" below.

6.1 Payments in respect of Securities

Payments of principal and interest in respect of each Security will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Security, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

6.2 Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

6.3 Missing Unmatured Coupons

Upon the date on which any Security becomes due and repayable, all unmatured Coupons appertaining to the Security (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

6.4 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Securities are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471 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 any law implementing an intergovernmental approach thereto.

6.5 Payment only on a Presentation Date

A holder shall be entitled to present a Security or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4 (*Interest and Interest Deferral*), be entitled to any further interest or other payment if a Presentation Date is after the due date for payment of any amount in respect of any Security or Coupon.

Presentation Date means a day which (subject to Condition 10 (*Prescription*)):

(a) is or falls after the relevant due date for payment of any amount in respect of any Security or Coupon;

(b) is 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 place of the specified office of the Paying Agent at which the Security or Coupon is presented for payment; and

(c) in the case of payment by credit or transfer to a euro account as referred to above, is a T2 Settlement Day.

6.6 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 (*Prescription*). Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

6.7 Initial Paying Agent

The name of the initial Paying Agent and its initial specified office are set out below:

Citibank Europe plc
1 North Wall Quay
Dublin
Ireland

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

(a) there will at all times be a Fiscal Agent and an Agent Bank;

(b) so long as the Securities are listed on any stock exchange or admitted to trading by any 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;

(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.

Notice of any termination or appointment and of any changes in specified offices will be given to the Securityholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, and save as set out therein, 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 Securityholder or Couponholder. 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 agent.

7. REDEMPTION AND PURCHASE

7.1 No fixed redemption

Unless previously redeemed or purchased and cancelled as provided below, the Securities will become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date (as defined below) and any outstanding Arrears of Interest on the date on which a winding up, dissolution or liquidation of the Issuer (otherwise than for the purpose of a Permitted Reorganisation) is instituted (the **Liquidation Event Date**), including in connection with any Insolvency Proceedings, in accordance with (i) any applicable legal provision, or any decision of any judicial or administrative authority, or (ii) any resolution passed at a shareholders’ meeting of the Issuer or (iii) any provision which is set out in the by-laws of the Issuer from time to time (including the maturity of the Issuer which, as of the Issue Date, is set in its by-laws at 31 December 2100).

Permitted Reorganisation means a solvent merger, reconstruction or amalgamation under which the assets and liabilities of the Issuer are assumed by the entity resulting from such merger, reconstruction or amalgamation, provided that (1) such entity assumes the obligations of the Issuer in respect of the Securities and (2) an opinion of an independent legal adviser, appointed by the Issuer at its own expense, of recognised standing in the Republic of Italy, has been delivered to the Fiscal Agent confirming the same prior to the effective date of such merger, reconstruction or amalgamation.

7.2 Optional Redemption

The Issuer may redeem all of the Securities (but not some only) on any date during the period commencing on (and including) 11 June 2029 and ending on (and including) the First Reset Date or on any Interest Payment Date thereafter (each such date, a **Call Date**), in each case at their principal amount together with any accrued interest up to (but excluding) the relevant Call Date and any outstanding Arrears of Interest, on giving not less than 10 and not more than 60 calendar days' notice to the Fiscal Agent, each Paying Agent and the Securityholders in accordance with Condition 13 (*Notices*).

7.3 Early Redemption following a Withholding Tax Event

(a) If a Withholding Tax Event occurs, the Issuer may redeem all of the Securities (but not some only), at any time at the applicable Early Redemption Price and upon giving not less than 10 and not more than 60 calendar days' notice to the Fiscal Agent, each Paying Agent and the Securityholders in accordance with Condition 13 (*Notices*), provided that no such notice 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 Securities then due.

(b) Prior to giving a notice to the Fiscal Agent, each Paying Agent and the Securityholders pursuant to this Condition 7.3 (*Early Redemption following a Withholding Tax Event*), the Issuer will deliver to the Fiscal Agent:

(i) a certificate signed by an authorised signatory 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 to redeem the Securities in accordance with this Condition 7.3 (*Early Redemption following a Withholding Tax Event*) 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 Additional Amounts as a result of (in the case of paragraph (A) of the definition of Withholding Tax Event) a Tax Law Change or (in the case of paragraph (B) of the definition of Withholding Tax Event) the relevant merger, conveyance, transfer or lease.

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the specified office of the Fiscal Agent.

7.4 Early Redemption following a Tax Deductibility Event

(a) If a Tax Deductibility Event occurs, the Issuer may redeem all of the Securities (but not some only), at any time at the applicable Early Redemption Price and upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal Agent, each Paying Agent and the Securityholders in accordance with Condition 13 (*Notices*).

(b) Prior to giving a notice to the Fiscal Agent, each Paying Agent and the Securityholders pursuant to this Condition 7.4 (*Early Redemption following a Tax Deductibility Event*), the Issuer will deliver to the Fiscal Agent:

(i) a certificate signed by an authorised signatory 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 to redeem the Securities in accordance with this Condition 7.4 (*Early Redemption following a Tax Deductibility Event*) have been satisfied; and

(ii) an opinion of an independent legal or tax advisers, appointed by the Issuer at its own expense, of recognised standing in the jurisdiction of incorporation of the Issuer to the effect that payments of interest by the Issuer in respect of the Securities are no longer, or within 90 calendar days of the date of that opinion will no longer be, deductible in whole or in part for Italian corporate income tax purposes as a result of a Tax Law Change.

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the specified office of the Fiscal Agent.

7.5 Early Redemption following a Rating Methodology Event

(a) If a Rating Methodology Event occurs, the Issuer may redeem all of the Securities (but not some only), at any time at the applicable Early Redemption Price and upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal Agent, each Paying Agent and the Securityholders in accordance with Condition 13 (*Notices*).

(b) Prior to giving a notice to the Fiscal Agent, each Paying Agent and the Securityholders pursuant to this Condition 7.5 (*Early Redemption following a Rating Methodology Event*), the Issuer will deliver to the Fiscal Agent:

(i) a certificate signed by an authorised signatory 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 to redeem the Securities in accordance with this Condition 7.5 (*Early Redemption following a Rating Methodology Event*) have been satisfied; and

(ii) a copy of the Rating Agency Confirmation relating to the applicable Rating Methodology Event unless the delivery of such Rating Agency Confirmation would constitute a breach of the terms on which such confirmation is delivered to the Issuer.

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the specified office of the Fiscal Agent.

7.6 Early Redemption following an Accounting Event

(a) If an Accounting Event occurs, the Issuer may redeem all (but not some only) of the Securities, at any time at the applicable Early Redemption Price upon giving not less than 10 and not more than 60 calendar days' notice of redemption to the Fiscal Agent, each Paying Agent and the Securityholders in accordance with Condition 13 (*Notices*).

The Issuer may notify the redemption of the Securities as a result of the occurrence of an Accounting Event from (and including) the date on which the Change is officially adopted, which may fall before the date on which the Change will come into effect.

(b) Prior to giving a notice to the Fiscal Agent, each Paying Agent and the Securityholders pursuant to this Condition 7.6 (*Early Redemption following an Accounting Event*), the Issuer will deliver to the Fiscal Agent:

(i) a certificate signed by an authorised signatory 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 to redeem the Securities in accordance with this Condition 7.6 (*Early Redemption following an Accounting Event*) have been satisfied; and

(ii) a copy of the opinion, letter or report of a recognised accountancy firm of international standing, appointed by the Issuer at its own expense, as set forth in the definition of “Accounting Event”.

The documents referred to above shall be available for inspection by Securityholders during normal business hours at the specified office of the Fiscal Agent.

7.7 Make-whole Redemption at the Option of the Issuer

The Issuer may redeem all (but not some only) of the Securities on any day prior to 11 June 2029 (the date falling 3 months before the First Reset Date) at the applicable Make-whole Redemption Amount on giving not less than 10 and not more than 60 calendar days' notice (which shall specify the date fixed for redemption (the **Make-whole Redemption Date**)) to the Fiscal Agent, each Paying Agent and the Securityholders in accordance with Condition 13 (*Notices*).

7.8 Purchases and Substantial Repurchase Event

The Issuer or any Subsidiary may at any time purchase Securities (provided that all unmatured Coupons appertaining to the Securities are purchased with the Securities) in any manner and at any price. Such Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

If a Substantial Repurchase Event occurs, the Issuer may redeem all (but not some only) of the outstanding Securities at any time at the applicable Early Redemption Price, subject to the Issuer having given the Fiscal Agent, each Paying Agent and the Securityholders not less than 10 and not more than 60 calendar days' notice in accordance with Condition 13 (*Notices*).

7.9 Cancellations

All Securities which are redeemed or exchanged pursuant to Condition 8 (*Exchange or Variation upon a Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event and Preconditions to such Exchange or Variation*) will forthwith be cancelled, together with all unmatured Coupons attached to the Securities or surrendered with the Securities at the time of redemption. All Securities so cancelled and any Securities purchased and cancelled pursuant to Condition 7.8 (*Purchases and Substantial Repurchase Event*) above shall be forwarded to the Fiscal Agent and accordingly may not be held, reissued or resold.

7.10 Notices Final

A notice of redemption given pursuant to any of Conditions 7.2 (*Optional Redemption*), 7.3 (*Early Redemption following a Withholding Tax Event*), 7.4 (*Early Redemption following a Tax Deductibility Event*), 7.5 (*Early Redemption following a Rating Methodology Event*), 7.6 (*Early Redemption following an Account Event*), 7.7 (*Make-whole Redemption at the Option of the Issuer*) or 7.8 (*Purchases and Substantial Repurchase Event*) shall be irrevocable and upon the expiry of any such notice, the Issuer shall be bound to redeem the Securities in accordance with the terms of the relevant Condition.

8. EXCHANGE OR VARIATION UPON A WITHHOLDING TAX EVENT, TAX DEDUCTIBILITY EVENT, RATING METHODOLOGY EVENT OR ACCOUNTING EVENT AND PRECONDITIONS TO SUCH EXCHANGE OR VARIATION

8.1 If the Issuer determines that a Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or an Accounting Event has occurred and is continuing, and has provided the Fiscal Agent with the relevant certificate and opinion, letter or report, or in the case of a Rating Methodology Event only, the Rating Agency Confirmation, referred to in Conditions 7.3 (*Early Redemption following a Withholding Tax Event*), 7.4 (*Early Redemption following a Tax Deductibility Event*), 7.5 (*Early Redemption following a Rating Methodology Event*) or 7.6 (*Early Redemption following an Account Event*) (as applicable), then the Issuer may, subject to Condition 8.2 below (without any requirement for the consent or approval of the Securityholders or Couponholders), having given not less than 10 nor more than 60 Business Days' notice to the Fiscal Agent, the Agent Bank and, in accordance with Condition 13 (*Notices*), to the Securityholders (which notice shall be irrevocable and shall specify the date for the relevant exchange or, as the case may be, variation of the Securities), as an alternative to an early redemption of the Securities, at any time:

(a) exchange the Securities for new securities (to the extent permitted by applicable laws and regulations) (such new securities, the **Exchanged Securities**), or

(b) vary the terms of the Securities (the Securities as so varied, the **Varied Securities**),

so that immediately following such exchange or variation no Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event applies in respect of the Exchanged Securities or, as applicable, the Varied Securities.

Upon expiry of such notice, the Issuer shall vary the terms of or, as the case may be, exchange (to the extent permitted by applicable laws and regulations) the Securities in accordance with this Condition 8 (*Exchange or Variation upon a Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event and Preconditions to such Exchange or Variation*) and, in the case of any exchange, cancel the Securities which have been exchanged for Exchanged Securities.

The Fiscal Agent, the Agent Bank and the Paying Agents shall (at the expense of the Issuer) enter into a supplemental agency agreement with the Issuer (including indemnities satisfactory to the Fiscal Agent, the Agent Bank and the Paying Agents) solely in order to effect the exchange of the Securities, or the variation of the terms of the Securities, provided that the Fiscal Agent, the Agent Bank and the Paying Agents shall not be obliged to enter into such supplemental agency agreement if the terms of the Exchanged Securities or the Varied Securities would impose, in the Fiscal Agent's, the Agent Bank's and the Paying Agents' opinion, more onerous obligations upon it or expose it to liabilities or reduce its protections. If the Fiscal Agent does not enter into such supplemental agency agreement (and the Fiscal Agent shall have no liability or responsibility to any person if it does not do so), the Issuer may elect to redeem the Securities as provided in Condition 7 (*Redemption and Purchase*).

8.2 Any such exchange (to the extent permitted by applicable laws and regulations) or variation shall be subject to the following conditions:

(a) for as long as the Securities are listed on any stock exchange, the Issuer complying with the rules of the relevant stock exchange (or any other relevant authority) on which the Securities are for the time being admitted to trading, and (for so long as the rules of such exchange require) the publication of any appropriate supplement, listing particulars or offering circular in connection therewith, and the Exchanged Securities or Varied Securities continue to be admitted to trading on the same stock exchange as the Securities were admitted to trading immediately prior to the relevant exchange or variation;

(b) the Issuer providing for the accrual of an amount equal to the Arrears of Interest under the terms of the Exchanged Securities or the Varied Securities (as applicable);

(c) the Exchanged Securities or Varied Securities shall be issued directly by the Issuer and: (A) rank at least *pari passu* with the ranking of the Securities prior to the exchange or variation; (B) benefit from the same interest rates and the same Interest Payment Dates, the same First Reset Date and early redemption rights (provided that the relevant exchange or variation may not itself trigger any early redemption right), a maturity date which shall not be longer than the maturity date of the Issuer as provided from time to time under the relevant by-laws, the same rights to accrued interest or Arrears of Interest and any other amounts payable under the Securities which, in each case, has accrued to the Securityholders and has not been paid, the same rights to principal and interest, and, if publicly rated by a Rating Agency which has provided a solicited rating at the invitation or with the consent of the Issuer immediately prior to such exchange or variation, at least the same credit rating immediately after such exchange or variation by each such Rating Agency, as compared with the relevant solicited rating(s) immediately prior to such exchange or variation (as determined by the Issuer using reasonable measures available to it including discussions with the Rating Agencies to the extent practicable); (C) not contain terms providing for the mandatory deferral or cancellation of interest and (D) not contain terms providing for loss absorption through principal write-down or conversion to shares;

(d) the terms of the exchange or variation, in the sole opinion of the Issuer (acting reasonably) not being prejudicial to the interests of the Securityholders (as a class), including compliance with (c) above, as certified to the Fiscal Agent and each Paying Agent by an authorised signatory of the Issuer, having consulted in good faith with an independent financial institution of international repute or an independent financial adviser experienced in the international capital markets, and any such certificate shall be final and binding on all parties;

(e) a legal opinion shall have been delivered to the Fiscal Agent (copies of which shall be made available to the Securityholders by appointment at the specified offices of the Fiscal Agent during usual office hours or at the Fiscal Agent's option may be provided by email to such holder requesting copies of such documents, subject to the Fiscal Agent being supplied by the Issuer with copies of such documents) from one or more international law firms of good reputation selected by the Issuer and confirming (x) that the Issuer has capacity to assume all rights, duties and obligations under the Exchanged Securities or Varied Securities (as the case may be) and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations and (y) the legality, validity and enforceability of the Exchanged Securities or Varied Securities;

(f) the delivery to the Fiscal Agent and each Paying Agent of a certificate signed by an authorised signatory of the Issuer certifying each of the points set out in paragraphs (a) to (e) above.

The Fiscal Agent and each Paying Agent may rely absolutely upon and shall be entitled to accept such certificates and any such opinions, as are referred to in this Condition 8 (*Exchange or Variation upon a Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event and Preconditions to such Exchange or Variation*), without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the criteria set out in such paragraphs, in which event it shall be conclusive and binding on the Securityholders and the Couponholders.

9. TAXATION

9.1 Payment without Withholding

All payments of principal and interest in respect of the Securities and Coupons by the Issuer will be made free and clear of, without withholding or deduction for, or on account of, any Taxes imposed, levied, collected, withheld or assessed by, or on behalf of, any Tax Jurisdiction, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (the **Additional Amounts**) as shall be necessary in order that the net amounts received by the Securityholders and Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Securities or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Security or Coupon:

(a) presented for payment in a Tax Jurisdiction;

(b) to, or to a third party on behalf of, a holder who is (i) entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption;

or (ii) liable for such Taxes in respect of such Security or Coupon by reason of the holder having some connection with a Tax Jurisdiction other than the mere holding of such Security or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Presentation Date; or

(d) in relation to any payment or deduction of any interest, principal or other proceeds on or from any Securities or Coupons on account of *imposta sostitutiva* pursuant to Decree No. 239 or future similar law and any related implementing regulations (each as amended or supplemented from time to time); or

(e) in the event of payment to a non-Italian resident legal entity or 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 Conditions, any amounts to be paid on the Securities and Coupons 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.

9.2 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Securities shall be deemed also to refer to any Additional Amounts which may be payable under this Condition.

10. PRESCRIPTION

The Securities and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within periods of 10 years (in the case of principal) and 5 years (in the case of interest) from the Relevant Date in respect of the Securities or, as the case may be, the Coupons, subject to the provisions of Condition 6 (*Payments and Exchanges of Talons*). There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue under this Condition or Condition 6 (*Payments and Exchanges of Talons*).

11. ENFORCEMENT ON THE LIQUIDATION EVENT DATE AND NO EVENTS OF DEFAULT

11.1 No Events of Default

There are no events of default in relation to the Securities.

On the Liquidation Event Date, the Securities will become due and payable at an amount equal to their principal amount, together with any outstanding interest accrued up to (but excluding) the Liquidation Event Date and any outstanding Arrears of Interest.

11.2 Enforcement on the Liquidation Event Date

On or following the Liquidation Event Date, each Securityholder may, at its discretion and without further notice, institute steps in order to obtain a judgment against the Issuer for any amounts due and payable in respect of the Securities, including the institution of Insolvency Proceedings against the Issuer or the filing of a proof of claim and participation in any Insolvency Proceedings or proceedings for the liquidation, dissolution or winding-up of the Issuer (in which Insolvency Proceedings, liquidation, dissolution or winding-up the Securities shall immediately be due and payable at their principal amount together with any accrued but unpaid interest up to (but excluding) the date on which the Securities become so due and payable and any outstanding Arrears of Interest), any such claim under this Condition 11.2 (*Enforcement on the Liquidation Event Date*) being as provided in, and subordinated in the manner described in Condition 3 (*Status and Subordination*).

11.3 Limitation on remedies

No remedy against the Issuer, other than as referred to in this Condition 11 (*Enforcement on the Liquidation Event Date and No Events of Default*), shall be available to the Securityholders and the Couponholders, whether for the recovery of amounts due in respect of the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities or the Coupons.

12. REPLACEMENT OF SECURITIES AND COUPONS

Should any Security or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of such costs and expenses as may be incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities or Coupons must be surrendered before replacements will be issued.

13. NOTICES

All notices regarding the Securities will be deemed to be validly given (a) if published in a leading English language daily newspaper of general circulation in London or (b) if and for so long as the Securities are admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or listed on the official list of the Luxembourg Stock Exchange, if published in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange: *www.luxse.com*. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Securities are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. 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. Couponholders will be deemed for all purposes to have notice of the contents of any notices given to the Securityholders in accordance with this paragraph.

14. MEETINGS OF SECURITYHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the modification of these Conditions, the Securities, the Coupons or any of the provisions of the Agency Agreement. All meetings of the Securityholders will be held in accordance with applicable provisions of Italian law in force at the time (including, without limitation, Italian Legislative Decree No. 58 of 24 February 1998, as amended) and the by-laws of the

Issuer in force from time to time. Accordingly, the provisions contained in the Agency Agreement shall be deemed to be amended, replaced and supplemented to the extent that any Italian laws, legislation, rules and regulations dealing with the meetings of the Securityholders or the relevant provisions in the by-laws of the Issuer are amended at any time while the Securities remain outstanding. Without prejudice to the foregoing, in accordance with Article 2415 of the Italian Civil Code, the meeting of Securityholders is empowered to resolve upon the following matters: (i) the appointment and revocation of the Securityholders' 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 Securityholders and the related statements of account; and (v) any other matter of common interest to the Securityholders.

Italian law currently provides that such a meeting may be convened by the Issuer or the Securityholders' Representative (as defined below) at their discretion and, in any event, shall be convened by either of them upon the request of any Securityholder(s) holding not less than 5 per cent. In nominal amount of the Securities for the time being remaining outstanding. If the meeting has not been convened following such request of the Securityholders, the same may be convened by a decision of the competent court in accordance with the provisions of Article 2367, paragraph 2 of the Italian Civil Code. Every such meeting shall be held at such time as indicated in the notice of meeting and at such place as provided pursuant to Article 2363 of the Italian Civil Code.

Such a meeting will be validly held if (i) in the case of a sole call meeting, there are one or more persons present being or representing Securityholders holding at least one-fifth of the principal amount of the outstanding Securities; or (ii) (a) in the case of a first meeting, there are one or more persons present being or representing Securityholders holding at least one half of the aggregate nominal amount of the Securities for the time being outstanding; (b) in the case of a second meeting, following adjournment of first meeting for want of quorum, there are one or more persons present being or representing Securityholders holding more than one third of the aggregate nominal amount of the Securities for the time being outstanding; and (c) in the case of any further adjourned meeting, there are one or more persons present being or representing Securityholders holding at least one fifth of the aggregate nominal amount of the Securities for the time being outstanding, provided however that that the Issuer's by-laws may in each case (to the extent permitted under the applicable Italian law) provide for a higher quorum.

The majority required to pass a resolution at any meeting (including any adjourned 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 Securities for the time being outstanding represented at the meeting; provided, however, that (A) certain proposals (including modifying the date of maturity of the Securities 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 Securities or altering the currency of payment of the Securities or the Coupons) may only be sanctioned by a resolution passed at a meeting (including adjourned meetings as provided under Article 2415 of the Italian Civil Code) of Securityholders by the higher of (i) one or more persons holding or representing not less than one half of the aggregate principal amount of the outstanding Securities, and (ii) one or more persons holding or representing not less than two thirds of the Securities represented at the meeting, *provided however that* a different majority (higher or lower depending on the circumstances and the amount of Securities represented at the meeting) may be required pursuant to Article 2369, paragraph 7, of the Italian Civil Code and (B) the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for higher majorities.

Officers and statutory auditors of the Issuer shall be entitled to attend the Securityholders' meetings but not participate or vote with reference to the Securities held by the Issuer. Any resolution duly passed at any such meeting shall be binding on all the Securityholders, whether or not they are present at the meeting, and on all Couponholders.

A representative of the Securityholders (*rappresentante comune*) (the **Securityholders' Representative**), subject to applicable provisions of Italian law, may be appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Securityholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Securityholders. If the Securityholders' Representative is not appointed by a meeting of such Securityholders, the Securityholders' Representative shall be appointed by a decree of the court where the Issuer has its registered office at the request of one or more Securityholders or at the request of the Board of Directors of the Issuer. The Securityholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter and shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

In derogation from Article 2415 of the Italian Civil Code, the Fiscal Agent and the Issuer may agree, without the consent of the Securityholders or Couponholders, to:

(a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Securities, the Coupons or the Agency Agreement which, in the sole opinion of the Issuer, is not prejudicial to the interests of the Securityholders; or

(b) any modification of the Securities, the Coupons or the Agency Agreement which, in the sole opinion of the Issuer, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable law or with the provisions of the Issuer's by-laws (*statuto*) applicable to the convening of meetings, quorums and the majorities required to pass a resolution entered into force at any time while the Securities remain outstanding.

Any such modification shall be binding on the Securityholders and the Couponholders and shall be notified by the Issuer to the Securityholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

For the avoidance of doubt, any variations of the Conditions and the Agency Agreement to give effect to the Benchmark Amendments in accordance with Condition 5 (*Benchmark Discontinuation*) or pursuant to Condition 8 (*Exchange or Variation upon a Withholding Tax Event, Tax Deductibility Event, Rating Methodology Event or Accounting Event and Preconditions to such Exchange or Variation*) shall not require the consent or approval of Securityholders or Couponholders.

15. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Securityholders or Couponholders to create and issue further Securities having the same terms and conditions as those of the Securities (save for the issue date, the issue price and the amount and date of the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Securities.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

16.1 Governing Law

The Agency Agreement, the Securities and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Securities and the Coupons are governed by, and shall be construed in accordance with, English law, except for Condition 3 (*Status and subordination*), which shall be governed by Italian law. Condition 14 (*Meetings of Securityholders and Modification*) and the provisions of the Agency Agreement concerning the meetings of Securityholders and the appointment of the Securityholders' Representative (*rappresentante comune*) in respect of the Securities are subject to compliance with Italian law.

16.2 Jurisdiction of English Courts

(a) The English courts are to have exclusive jurisdiction to settle any dispute arising out of or in connection with the Securities and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (a **Dispute**) and accordingly each of the Issuer and the Paying Agents and any Securityholders and the Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 16.2 (*Jurisdiction of English Courts*), each of the Issuer and the Paying Agents and any Securityholders and the Couponholders in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

16.3 Appointment of Process Agent

The Issuer appoints The Italian Chamber of Commerce and Industry for the UK at 1 Princes Street, London W1B 2AY, United Kingdom or, if different, its registered office for the time being as its agent for service of process, and undertakes that, in the event of The Italian Chamber of Commerce and Industry for the UK 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 Dispute. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Security 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.

The following does not form a part of the Terms and Conditions of the Securities:

The Issuer intends (without thereby assuming a legal obligation) that it will redeem or repurchase the Securities only to the extent that the part of the aggregate principal amount of the Securities to be redeemed or repurchased which was assigned "equity credit" (or such similar nomenclature used by S&P from time to time) at the time of the issuance of the Securities does not exceed such part of the net proceeds received by the Issuer (or by any Subsidiary of the Issuer) prior to the date of such redemption or repurchase from the sale or issuance of securities by the Issuer (or by such Subsidiary) to third party purchasers (other than group entities of the Issuer) which was assigned by S&P "equity credit" (or such similar nomenclature used by S&P from time to time) at the time of sale or issuance of such securities (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities), unless:

(a) *the rating (or such similar nomenclature then used by S&P) assigned by S&P to the Issuer is at least equal to the rating assigned to the Issuer on the date of the most recent hybrid security issuance (excluding any refinancing without net new issuance) which was assigned by S&P an "equity credit" similar to the Securities and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or*

(b) *in the case of a repurchase and/or redemption of the Securities taken together with other repurchases or redemptions of hybrid securities of the Issuer (as the case may be) which are less than (a) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 10 consecutive years, or*

(c) *the Securities are redeemed pursuant to a Tax Deductibility Event or a Withholding Tax Event, or an Accounting Event or a Substantial Repurchase Event or a Rating Methodology Event; or*

(d) *the Securities are not assigned an "equity credit" by S&P (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase, or*

(e) *in the case of a repurchase, such repurchase relates to an aggregate principal amount of Securities which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its then prevailing methodology; or*

(f) *such redemption or repurchase occurs on or after the Reset Date falling on 11 September 2049.*

OVERVIEW OF PROVISIONS RELATING TO THE SECURITIES IN GLOBAL FORM

The following is an overview of the provisions to be contained in the Global Securities which will apply to, and in some cases modify the Terms and Conditions of the Securities while the Securities are represented by the Global Securities.

Words and expressions defined in Terms and Conditions of the Securities shall have the same meanings in this "Overview of Provisions relating to the Securities in Global Form".

Temporary Global Security exchangeable for Permanent Global Security

The Securities will initially be in the form of the Temporary Global Security, without Coupons, which will be deposited on or around the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg. The Securities will not be issued in new global note (**NGN**) form. Interests in the Temporary Global Security will be exchangeable, in whole or in part, for interests in the Permanent Global Security, without Coupons, which will also be deposited on or around the Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg, on or after the date which is 40 days after the closing date for the Securities (the **Exchange Date)**, upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Securities cannot be collected without such certification of non-U.S. beneficial ownership.

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

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

(b) in either case, receipt by the Fiscal Agent of confirmation from the Clearing Systems that a certificate or certificates of non-U.S. beneficial ownership have been received,

within seven days of the bearer requesting such exchange.

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

Permanent Global Security exchangeable for Definitive Securities

Interests in the Permanent Global Security will be exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Security, for Definitive Securities, if Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so and no successor clearing system is available.

Interests in the Permanent Global Security will also become exchangeable, in whole but not in part only and at the request of the Issuer, for Definitive Securities if, by reason of any change in the laws of the Republic of Italy, the Issuer will be required to make any withholding or deduction from any payment in respect of the Securities which would not be required if the Securities are in definitive form.

Definitive Securities will bear serial numbers and have attached thereto at the time of their initial delivery Coupons. Definitive Securities will also, if necessary, have attached thereto at the time of their initial delivery Talons and the expression Coupons shall, where the context so requires, include Talons.

Whenever the Permanent Global Security is to be exchanged for Definitive Securities, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Securities, duly authenticated and with Coupons and, if necessary, Talons attached, in an aggregate principal amount equal to the principal amount of the Permanent Global Security to the bearer of the Permanent Global Security against the surrender of the Permanent Global Security to or to the order of the Fiscal Agent in accordance with the terms.

Terms and Conditions applicable to the Securities

The Terms and Conditions applicable to any Definitive Security will be endorsed on that Security and will consist of the Terms and Conditions set out under Terms and Conditions of the Securities above.

The Terms and Conditions applicable to the Securities represented by the one or more Global Securities will differ from those Terms and Conditions which would apply to the Securities were they in definitive form to the extent described in this "Overview of Provisions relating to the Securities in Global Form".

Each Global Security will contain provisions which modify the Terms and Conditions of the Securities as they apply to the relevant Global Security. The following is an overview of certain of those provisions:

Accountholders: For so long as any of the Securities is represented by a Global Security held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of the Securities represented by a Global Security (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Principal Paying Agent, any other Paying Agent and the Agent Bank as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal and interest on such nominal amount of such Securities, the right to which shall be vested, as against the Issuer, solely in the bearer of the relevant Global Security in accordance with and subject to the terms of the relevant Global Security.

Payments: The holder of a Global Security shall be the only person entitled to receive payments in respect of the Securities represented by such Global Security and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of the Securities represented by such Global Security must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Security. For the purpose of any payments made in respect of a Global Security, the relevant place of presentation shall be disregarded in the definition of Presentation Date set out in Condition 6 (*Payments and Exchanges of Talons*).

Notices: Notwithstanding Condition 13 (*Notices*), while all the Securities are represented by one or more Global Securities and such Global Securities are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Securityholders may instead be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein and, in any case, such notices shall be deemed to have been given to the Securityholders in accordance with Condition 13 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, provided that, so long as the Securities are listed on the Luxembourg Stock Exchange, notice will also be given by publication on the website of the Luxembourg Stock Exchange at www.luxse.com.

Legend concerning United States persons

Permanent Global Securities, Definitive Securities and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE."

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

Clearing Systems

Any reference herein to Euroclear and/or Clearstream, Luxembourg, as the case may be, shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Fiscal Agent, the other Paying Agents and the Securityholders.

USE OF PROCEEDS

The net proceeds of the issue of the Securities will amount to €742,149,000 (being the proceeds from the issue of the Securities net of the commissions, fees, and estimated expenses).

These proceeds will be used by the Issuer to finance or refinance, in whole or in part, Eligible Green Projects in accordance with the Sustainable Finance Framework. In this respect, the Securities will be denominated "Green Bonds".

In case of project divestment, an amount equal to the net proceeds of the "Green Bonds" will be used to finance or refinance other Eligible Green Projects.

For the purposes of this section:

Sustainable Finance Framework means the sustainable finance framework adopted by A2A in May 2021 and updated in February 2022, combining both use of proceeds principles and sustainability-linked principles, available at www.a2a.eu.

Eligible Green Projects means projects with a positive impact in terms of environmental sustainability, in accordance with the broad categorisation of eligibility for green projects pursuant to the then applicable "Green Bond Principles" set out by the International Capital Market Association, as further specified under the "Sustainable Finance Framework" published on the Issuer's website (www.a2a.eu).

Eligible Green Project	**Description of Eligible Green Project**	**Environmental benefits**	**SDG Contribution**
Renewable energy	Increasing production of renewable energy, through acquisitions, construction or maintenance project, including: • PV / Wind plants • New plants of biomethane production (through biogas recovery) • Bioenergy plants • Battery and thermal storage systems development	Climate change mitigation	7, 13
Energy Efficiency	Reducing energy consumption or mitigate greenhouse gas emissions, including: • Waste-to-Energy efficiency revamping/ upgrade (energy	Climate change mitigation	7, 11, 13

	production and district heating) (R1 ≥ 0.60) • Services to improve energy efficiency of public lighting from traditional lighting to LEDs technology • New product and services related to energy efficiency for end customers • Ensure maximum efficiency throughout BAT (best available technologies) for the Group assets (new and refurbished buildings)		
Transmission and distribution networks	Connecting renewable sources, enhancing distributed energy, improving smart grids (efficiency and reliability), decreasing electricity losses and gas leakages of the existing networks, including: • Investments in smart grid • Smart meters installation (energy and gas) • Reduction of gas leakages of the existing networks making “hydrogen ready” on A2A’s infrastructure • Improved grid efficiency (New primary electric stations, electrolyzers and synchronous condensers, replacement of network joints on the electricity grid) • Infrastructure development and	Climate change mitigation & Natural Resource Conservation	7, 9, 13

	improvement projects of IT platforms and application		
Sustainable water and wastewater management	Construction, development, operation and maintenance of facilities, systems or equipment used for sustainable infrastructure for clean and/ or drinking water, wastewater treatment and sustainable urban drainage systems, including: • Wastewater treatment and purification plants, networks and appliances; • Reduction of water losses projects (automatic systems to find leakages, new pipelines, water smart meters): target to reduce water leakage of 20% by 2030 (2020 base year)	Natural Resource Conservation	6, 12
Pollution prevention and control	Construction, development, operation and maintenance of facilities, systems or equipment used to reduce GHG emissions and waste disposal and reducing the environmental impact of the cities, including: • Development of new Waste-to-Energy plants for non-recyclable waste with acceptable levels of thermal efficiency (energy production) (R1 $\geq$ 0.65) and a minimum energy efficiency of 25 • Waste collection services for municipalities • Plants to recover organic fraction	Climate change Mitigation & Pollution prevention and control	11, 12, 13

	• Material recovery and selection plants • Development & maintenance of district heating (pipelines, heat pumps/exchangers) • Recovery of heat sources from production activities		
Clean transportation	Construction, development, operation, acquisition and maintenance of infrastructure for sustainable mobility and cleaner vehicles with a lower environmental impact, for communities and for the Group's fleet, including: • Low environmental impact waste-collection vehicles (Electric and biomethane powered) • Low impact cars (Electric and biomethane powered) used for operations in the DSO activities; • Electric car charging hub • Biomethane filling station for vehicles (with emissions below 50g CO2eq/km until 2025) • Development of hydrogen use for sustainable local transport purposes	Climate change mitigation	9, 11, 13

An amount equivalent to the net proceeds of the Securities will be earmarked for allocation to the Eligible Green Projects. The process will be in accordance with the Issuer's Sustainable Finance Framework. Net proceeds will refinance Eligible Green projects disbursed, delivered or acquired up to 24 months before the issuance of the Securities. The Issuer will allocate the net proceeds to the group entities in charge of the projects via intercompany loans or equity capital, with the purpose to finance the disbursements in connection with the Eligible Green Projects carried out by the Issuer's subsidiaries. Pending the allocation or reallocation, as the case may be, of the net proceeds, the Issuer will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalents and/or other liquid marketable instruments which will not include GHG intensive activities as per the Issuer's financial policy. The payment of principal and interest on the Securities will be made from its general funds and will not be linked to the performance of any Eligible Green Project.

On an annual basis, the Issuer will provide a report, at least until full allocation or in case of material changes, on: (i) details of the net proceeds allocation by category of Eligible Green Projects; (ii) the proportion of net proceeds used for financing versus refinancing; (iii) the percentage of EU Taxonomy aligned Eligible Green Project financed with the net proceeds of the Securities; (iv) if feasible, the co-financing share; (v) the balance of any unallocated proceeds (vi) disclosure of any material developments related to the Eligible Green Projects, including ESG controversies and issues; (vii) type of temporary investment instrument for unallocated proceeds and (viii) the list of eligible projects (re)financed, including a brief description. The allocation report will be available on the Issuer's website (www.gruppoa2a.it). Regarding the impact and performance reporting the Issuer will report, where feasible, on a number of impact metrics related to the Eligible Green Projects for projects funded with the net proceeds of the Securities.

External verifiers appointed by A2A will verify on an annual basis and until the full allocation, the allocated proceeds to Eligible Green Projects and the remaining balance of unallocated proceeds, within the annual report review. External verifiers will also verify the compliance of the allocated proceeds with the eligible categories. The external verifiers' report will be made available on A2A's website.

DESCRIPTION OF THE ISSUER

Please refer to the information on A2A and the A2A Group in the documents incorporated herein by reference as set out in the "*Documents Incorporated by Reference*" section.

REGULATION

Please refer to the information on A2A and the A2A Group in the documents incorporated herein by reference as set out in the "*Documents Incorporated by Reference*" section.

OVERVIEW OF THE ITALIAN INSOLVENCY LAW REGIME

The insolvency laws of Italy may not be as favourable to investors' interests as those of other jurisdictions with which investors may be familiar. Generally speaking, in Italy courts play a central role in the insolvency process. Moreover, in court procedures may be materially more complex and the enforcement of security interests by creditors in Italy can be more time-consuming than in equivalent situations in jurisdictions with which holders of the Securities may be familiar.

Italian insolvency laws are applicable to the Issuer and, if certain requirements are met, the Issuer could become subject to any of the following insolvency proceedings:

- judicial liquidation (*liquidazione giudiziale*), which is governed by the provisions of the Italian Business Crisis and Insolvency Code;

- composition with creditors (*concordato preventivo*), composition with creditors in the judicial liquidation (*concordato nella liquidazione giudiziale*) and simplified composition with creditors with liquidation purposes (*concordato semplificato per la liquidazione del patrimonio*), which are also governed by the provisions of the Italian Business Crisis and Insolvency Code;

- extraordinary administration for large insolvent companies (*amministrazione straordinaria delle grandi imprese insolventi*, the so called "*Prodi-bis*"), which is governed by Legislative Decree No. 270 of 8 July 1999, as ultimately amended, *inter alia*, by Law Decree No. 4/2024 (**Decree 270**) and by certain provisions of the Italian Business Crisis and Insolvency Code; and

- extraordinary administration for the industrial restructuring of large insolvent companies (*amministrazione straordinaria per la ristrutturazione industriale delle grandi imprese insolventi*, the so called "*Marzano*" procedure), which is governed by Law Decree No. 347 of December 23, 2003, converted into law, with amendments, by Law No. 39 of 18 February 2004, as ultimately amended, *inter alia*, by Law Decree No. 4/2024 (**Decree 347**), as well as certain provisions of the Italian Business Crisis and Insolvency Code and the Decree 270. For businesses performing essential public services this type of proceedings would also be subject to Law Decree 134 of 28 August 2008 (**Decree 134**).

Also, the Issuer could enter into the following restructuring procedures:

(a) reorganization plans pursuant to Article 56 of the Italian Business Crisis and Insolvency Code;

(b) debt restructuring agreements pursuant to Article 57 of the Italian Business Crisis and Insolvency Code;

(c) *composizione negoziata per la soluzione della crisi d'impresa*, pursuant to Chapter I, Title II, of the Italian Business Crisis and Insolvency Code.

In addition to the above, certain regulated entities (including, *inter alia*, insurance companies, credit institutions and other financial institutions) are subject to ad hoc restructuring and insolvency proceedings, including but not limited to respectively extraordinary administration (*amministrazione straordinaria*); compulsory administrative liquidation (*procedura di liquidazione coatta amministrativa*) or resolution (*risoluzione*). These proceedings are mainly governed by ad hoc pieces of legislation (which may vary depending on the regulatory status of the entity admitted to the procedure) and by certain provisions of the Italian Business Crisis and Insolvency Code to which specific reference is made by the former acts and regulations.

Italian insolvency laws and regulations have recently been substantially reviewed. In particular, the Italian government approved on January 12, 2019 the Legislative Decree No. 14 of January 12, 2019 implementing the guidelines contained in Law No. 155 dated October 19, 2017 contending the scheme of a new comprehensive legal framework in order to regulate, *inter alia*, insolvency matters (the Italian Business Crisis and Insolvency Code, hereinafter also the **Code**). The Code was published in the *Gazzetta Ufficiale* on February 14, 2019 no. 38—*Suppl. Ordinario* no. 6.

The Code contains a comprehensive and organic reform of Italian insolvency proceedings and the rules governing business crisis, replacing the Italian Royal Decree n. 267 of March 16, 1942 (the former Italian bankruptcy law – *legge fallimentare*) as the main legislative source regulating such matter.

Except for minor changes including certain amendments to some provisions of the Italian Civil Code, which already entered into force on March 16, 2019, in response to the COVID-19 pandemic the entry into force of the Code was postponed multiple times. Certain innovations provided in the Code were extrapolated and enacted by Law Decree No. 118 of 24 August 2021, as converted by Law No. 147 of 21 October 2021.

As of July 15, 2022, the Code is fully in force.

The following provides a brief summary of the main features characterising each of the various insolvency and restructuring procedures in Italy as in force as at the date of this Prospectus. The below summary is not intended to be an exhaustive and comprehensive review and outlook of the insolvency regime and tools currently in force under Italian law. As outlined above, certain provisions of the Code have been entered into force only recently and, therefore, may be subject to further implementation and/or interpretations and have not been tested to date in the Italian courts.

Under Italian law, the state of insolvency (*insolvenza*) of a company is ascertained and declared by a court. Insolvency occurs at a time when a debtor is no longer able to regularly meet its obligations as they fall due, as provided for by Article 2, paragraph 1, letter b) of the Code.

Depending on the type of proceeding to be initiated, the primary aims of restructuring and insolvency proceedings under Italian law are, respectively and alternatively, to successfully restructure or sell the debtor's assets as a going concern (as to the restructuring proceedings) or to liquidate the debtor's assets for the satisfaction of creditor's claims as well as, in case of the procedures under Decree 270 and / or Decree 347, to maintain employment, to the extent feasible. These competing aims have often been balanced by selling businesses as going concerns and ensuring that employees are transferred along with the businesses being sold.

Save for liquidation proceedings (mainly the judicial liquidation), the Code promotes rescue procedures rather than liquidation and focuses on the continuity and survival of financially distressed businesses and enhancing restructuring options as an alternative to judicial liquidation. In cases where a company is facing a state of financial crisis it may be possible for it to enter into out-of-court arrangements with its creditors, which may safeguard the existence of the company, but which are susceptible to being reviewed by a court in the event of a subsequent insolvency, provided that certain conditions are met.

In this respect, Article 2, paragraph 1, letter (a) of the Code, provides a definition of "crisis" as the state of the debtor that makes the insolvency probable, and manifests itself through the inadequacy of the prospective cash flows to meet obligations over the following twelve months.

The following remedies and proceedings are available under Italian law for companies facing a state of crisis: negotiated composition of the crisis (*composizione negoziata per la soluzione della crisi d'impresa*), composition with creditors (*concordato preventivo*, which, however, is also available for entities in state of insolvency), simplified composition with creditors with liquidation purposes (*concordato semplificato per la liquidazione del patrimonio*), debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti*), reorganization plan (*piano attestato di risanamento*), restructuring plan subject to homologation (*piano di ristrutturazione soggetto a omologazione*), extraordinary administration for large insolvent companies pursuant to Decree 270 (*amministrazione straordinaria delle grandi imprese in crisi di cui alla Legge Prodi bis*), extraordinary administration proceedings for large insolvent companies pursuant to Decree 347 (*amministrazione straordinaria delle grandi imprese in crisi di cui alla Legge Marzano*); judicial liquidation (*liquidazione giudiziale*); and composition with creditors in the judicial liquidation (*concordato nella liquidazione giudiziale*).

The main innovations introduced by the Code include: (i) the elimination of the term "bankrupt" (*fallito*) due to its negative connotation and the replacement of bankruptcy proceedings (*fallimento*) with a judicial liquidation (*liquidazione giudiziale*); (ii) a new definition of "state of crisis"; (iii) the adoption of the same procedural framework in order to ascertain such state of crisis and to access the different restructuring tools and frameworks (*strumenti di regolazione della crisi e dell'insolvenza della società*) provided for by the same Code; (iv) a new set of rules concerning group restructurings; (v) restrictions to the use of the composition with creditors (*concordato preventivo*) where pursuing a "liquidation strategy" to incentivize the *concordato preventivo* with a "business continuation strategy"; (vi) jurisdiction of specialized courts over proceedings involving large entrepreneurs; (vii) the adoption of definition of entrepreneur's "center of main interest", (viii) the introduction of the new restructuring plan subject to validation (*piano di ristrutturazione soggetto ad omologazione*) among the restructuring tools and frameworks (*strumenti di regolazione della crisi e dell'insolvenza della società*); (ix) amendments to certain provisions of the Italian Civil Code to align it with the provisions set forth in the Code; (x) a new negotiated crisis settlement procedure (*composizione negoziata della crisi)*, introduced by Legislative Decree 118/2021, and subsequently incorporated into the Code (to which reference is made below for the relevant current rules).

Another important innovation included in the Code concerns the definition of the organizational, administrative and accounting structures of a company which are deemed to be adequate under Article 2086 of the Italian Civil Code, required by the applicable regulations for the purpose of timely detection of the state of crisis and the undertaking of suitable initiatives by the debtor. Article 3 of the Code requires the entrepreneur to adopt an appropriate organizational structure in accordance with Article 2086 of the Italian Civil Code, for the purpose of timely detection of the crisis of the company as well as the timely undertaking of suitable initiatives to overcome the crisis and recover business continuity. However, neither the aforementioned Article 3, in its current wording, nor Article 2086 of the Italian Civil Code, as amended by the Code, contains a precise description of the parameters, conditions and characteristics that are deemed to be necessary/needed for the definition and especially for the identification of "adequate structures".

In this regard, Article 3 of the Code provides, on the one hand, the purposes to which the measures and structures must aim in order to be considered as adequate for the timely detection of the crisis and, on the other hand, the relevant warning signs in relation to the same. For the purpose of the timely detection of the company's state of crisis, the measures and structures deemed to be adequate should make it possible to:

- detect any imbalances of an equity or economic-financial nature, related to the specific characteristics of the company as well as to the business activity carried out by the debtor;
- verify the sustainability of debts and the prospects for business continuity for the next twelve months as well as the warning signs identified by Article 3, paragraph 4 of the Code; and
- derive the information necessary to follow the detailed checklist and conduct the practical test for the reasonable pursuit of the debtor's financial recovery.

Article 3, paragraph 4 of the Code provides an exact indication of the warning signs, identified as follows:

- the existence of payroll debts overdue for at least 30 days equal to more than half of the total monthly payroll amount;
- the existence of receivables owed to suppliers that are at least 90 days past due in an amount greater than the amount of receivables that are not past due;
- the existence of exposures to banks and other financial intermediaries that have been past due for more than 60 days or have exceeded the limit of credit facilities obtained in any form for at least 60 days provided that they represent in the aggregate at least 5% of the total exposures; and
- the existence of one or more exposures to certain public institutions listed under Article 25-*novies* of the Code.

a) Judicial liquidation (*liquidazione giudiziale*, former "bankruptcy" (*fallimento*))

A company may be put under judicial liquidation recurring two requirements:

(i) an objective requirement, which is met if any of the following thresholds are met:

(A) has assets (*attivo patrimoniale*) in an aggregate amount exceeding € 0.3 million for each of the three preceding fiscal years,

(B) gross revenue (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years, and

(C) has total indebtedness in excess (included debts not yet due) of €0.5 million;

(ii) a subjective requirement, which is met when a company carries out a commercial activity and is "insolvent". Under Article 2, paragraph 1, letter (b) of the Code, the concept of insolvency is defined as the inability of the debtor to regularly settle its obligations as they become due.

A request to adjudicate a debtor into judicial liquidation can be filed by the debtor itself, by one or more creditors, by the bodies or authorities supervising the company and, in certain cases, by the public prosecutor. The judicial liquidation is declared by a competent division of the court.

Upon the commencement of the judicial liquidation, among others:

(i) unless otherwise provided by law, all actions of creditors are stayed and creditors must file claims within a defined period;

(ii) under certain circumstances, secured creditors may enforce against the secured property as soon as their claims are admitted as preferred claims. Any outstanding balance will be considered unsecured and rank *pari passu* with all of the insolvent entity's other unsecured debt. Subject to certain exceptions, the *in rem* secured creditor may sell the secured asset only after it has obtained authorization from the designated judge (*giudice delegato*). After hearing the receiver (*curatore nella liquidazione giudiziale*) and the creditors' committee (if established), the designated judge decides whether to authorize the sale, and sets forth the timing in its decision;

(iii) the debtor loses control over its assets and the management of its business. Management of the business and of the assets is transferred to the court-appointed receiver (*curatore nella liquidazione giudiziale*);

(iv) continuation of business may be authorized if an interruption would cause greater damage to the company, but only if the continuation of the company's business does not cause damage to creditors;

(v) any act (including payments, pledges and issuance of guarantees) made by the debtor (other than those made through the court-appointed receiver) after (and in certain cases even before, for a limited period of time) the filing of the application for judicial liquidation, becomes (or could become, if made before) ineffective against creditors; and

(vi) the performance of certain contracts and/or transactions pending as of the date of the opening of the judicial liquidation are suspended until the receiver decides whether to take them over.

The judicial liquidation proceeding is carried out and supervised by a court-appointed receiver, a deputy judge (*giudice delegato*) and a creditors' committee (if established). The creditors' committee, as specifically provided for by law, has in some cases authorization power over the receiver and, in general, consultation functions over the latter and vigilance authority over the judicial liquidation proceedings. The receiver is responsible for the liquidation of the assets of the debtor for the satisfaction of creditors. The proceeds from the liquidation are distributed in accordance with statutory priority rights. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real estate property. Italian law provides for priority to the payment of certain preferential creditors, including the receiver, employees and the Italian judicial and social security authorities.

Under (i) Article 163 of the Code, subject to certain limited exception, all transactions entered into for no consideration are ineffective *vis-à-vis* creditors if entered into by the insolvent entity in the two-year period prior to the filing of the petition that led to the opening of the judicial liquidation of after the filing. Any asset subject to a transaction which is ineffective pursuant to Article 163 of the Code becomes part of the insolvency estate by operation of law upon registration (*trascrizione*) of the declaration of commencement of judicial liquidation, without need to wait the ineffectiveness of the transaction is sanctioned by a court. Any interested person may challenge the registration before the delegated judge for violation of law; and (ii) Article 164 of the Code, payments of receivables falling due on the day of the opening of the judicial liquidation or thereafter are deemed ineffective *vis-à-vis* creditors, if made by the insolvent entity in the two-year period prior to the filing of the petition that led to the opening of the judicial liquidation of after the filing.

The following acts and transactions, if done or made during the period specified below (so-called "**suspect period**"), may be clawed back (*revocati*) *vis-à-vis* the insolvency estate as provided for by Article 166 of the Code and be declared ineffective, unless the non-insolvent party proves that it had no actual or constructive knowledge of the debtor's insolvency at the time the transaction was entered into:

(i) onerous transactions entered into in the year before the filing of the petition that led to the opening of the judicial liquidation of after the filing, when the value of the debt or the obligations undertaken by the insolvent entity exceeds 25% of the value of the consideration received by and/or promised to the debtor;

(ii) payments of debts, due and payable, which were not made by the debtor in cash or by other customary means of payment in the year prior to the filing of the petition that led to the opening of the judicial liquidation of after the filing;

(iii) pledges and mortgages granted by the insolvent entity in the year prior to the filing of the petition that led to the opening of the judicial liquidation of after the filing in order to secure pre-existing debts which were not yet due at the time when the new security was granted; and

(iv) pledges and mortgages granted by the insolvent entity in the six months prior to the filing of the petition that led to the opening of the judicial liquidation of after the filing in order to secure pre-existing debts which had already fallen due at the time when the new security was granted.

The following acts and transactions, if made during the suspect period or such other period specified below, may be clawed back (*revocati*) and declared ineffective if the receiver proves that the non-insolvent party knew that the insolvent entity was insolvent at the time of the act or transaction:

(i) payments of debts that are immediately due and payable and any onerous transactions entered into or made within six months prior to the filing of the petition that led to the opening of the judicial liquidation or after the filing; and

(ii) granting of security interest for debts incurred in the six months prior to the filing of the petition that led to the opening of the judicial liquidation or after the filing.

The following transactions are exempted from claw-back actions:

(i) payments for goods or services made in the ordinary course of business according to market practice;

(ii) a remittance on a bank account; provided that it did not entail a long-term reduction of the insolvent entity's debt towards the bank;

(iii) the sale, including an agreement for sale registered pursuant to Article 2645-bis of the Italian Civil Code, currently in force, made for a fair value and concerning a residential property that is intended as the main residence of the purchaser or the purchaser's family (within three degrees of kinship) or a non-residential property that is intended as the main seat of the enterprise of the purchaser; provided that, as at the date of the insolvency declaration, the activity is actually exercised therein or the investments for the commencement of such activity have been carried out therein;

(iv) transactions entered into, payments made and security granted by the debtor over its assets to perform a plan (*piano attestato*) pursuant to Articles 56 or 284 of the Code;

(v) a transaction entered into, payment made or guarantee granted in execution of a "*concordato preventivo*" or an approved "*piano di ristrutturazione*" under article 64-*bis* of the Code or an approved "*accordo di ristrutturazione del debito*" as well as those legally performed after the application for *concordato preventivo* or *accordo di ristrutturazione*;

(vi) remuneration payments to the insolvent entity's employees and consultants concerning work carried out by them; and

(vii) payments of a debt that is immediately due, payable and made on the due date, with respect to services necessary for access to *strumenti di regolazione della crisi e dell'insolvenza* and insolvency proceedings provided under the Code.

In addition, in certain cases, the receiver can request that certain transactions of the insolvent entity be declared ineffective within the ordinary claw-back period of five years (*revocatoria ordinaria*) provided for by the Italian Civil Code. Under Article 2901 of the Italian Civil Code, a creditor may demand that transactions whereby the insolvent entity disposed of its assets prejudicially to such creditor's rights be declared ineffective with respect to such creditor, provided that the insolvent entity was aware of such prejudice (or, if the transaction was entered into prior to the date on which the claim was originated, that such transaction was fraudulently entered into by the insolvent entity for the purpose of prejudicing the creditor's rights) and that, in the case of a transaction entered into for consideration with a third party, the third party was aware of such prejudice (and, if the transaction was entered into prior to the date on which the claim was originated, such third party participated in the fraudulent design). The burden of proof is entirely with the receiver.

Law 132/2015 also introduced new Article 2929-*bis* to the Italian Civil Code, providing for a "simplified" clawback action for the creditor with respect to certain types of transactions put in place by the debtor with the aim to subtract (registered) assets from the attachment by its creditors. In particular, the creditor can now start enforcement proceedings over the relevant assets without previously obtaining a Court decision clawing back/nullifying the relevant (fraudulent) transaction, to the extent that such transaction had been carried out without consideration (*e.g.*, gratuitous transfers, or creation of shield instruments such as trusts or the so-called *fondo patrimoniale* or "family trust") and the further requirements provided for by the Italian Civil Code are duly met. In case of gratuitous transfers, the enforcement action can also be carried out by the creditor against the third-party purchaser.

As far as receivables *vis-à-vis* the insolvent entity are concerned, each creditor must lodge his claims with the competent court; the judge delegated by the court (*giudice delegato*), upon proposal of the receiver, will decide which claims are admitted to the statement of liabilities, for which amount they are admitted and whether the claims are to be qualified as secured of not. Each creditor may challenge (*opposizione*) the decision of the judge in front of the court. The same procedure applies also to individuals and entities claiming the right to obtain the restitution of assets.

The Securityholders would not have a right as a class to appoint a representative to a creditors' committee.

- **Composition with creditors in the judicial liquidation (*concordato nella liquidazione giudiziale*, former "*concordato fallimentare*")**: a judicial liquidation proceeding can terminate prior to liquidation through a composition proposal with creditors. The relevant petition can be filed by one or more creditors or third parties starting from the declaration that opens the judicial liquidation, whereas the debtor or its subsidiaries are admitted to file such a proposal only after one year following such declaration but before two years from the decree granting effectiveness to the statement of liabilities and, in any event, provided that the proposal submitted by the debtor provides for an increase of the company's assets at least of 10%. The petition may provide for the placing of creditors into different classes (thereby proposing different treatments among the classes), the restructuring of debts and the satisfaction of creditors' claims in any manner. The petition may provide the possibility that secured claims are paid only in part. The *concordato nella liquidazione giudiziale* proposal is subject to the opinion of the creditors' committee and must be approved by the creditors holding the majority of unsecured claims (and, if classes are formed, by a majority of the claims in a majority of the classes). Final court confirmation is also required.

- **Statutory priorities.** Under Italian law neither the debtor nor the court can deviate from the rules of statutory priority proposing alternative priorities of claims or subordinating specific claims on the basis of equitable principles. Consequently, contractually granted priorities such as those commonly provided for in intercreditor contractual arrangements may not be enforceable against Italian insolvency proceedings on the grounds that they may be considered inconsistent with mandatory provisions. Claims with the highest rank are the super senior ones (*crediti prededucibili*), which include the claims originated within the judicial liquidation proceedings as set out in specific legislation. At the next level of priority there are preferred creditors, whose claims (*crediti privilegiati*) enjoy a preference in payment (in most circumstances, but not exclusively, provided for by law) which can be general (such as for claims for salaries, social contributions and taxes) or can pertain to specific assets, and secured creditors, whose claims are backed by mortgages (*crediti ipotecari*) and pledges (*crediti garantiti da pegno*), and then unsecured creditors (*crediti chirografari*). Pursuant to Article 221 of the Code, proceeds of liquidation shall be distributed according to the following order: (i) for payments of super-senior claims; (ii) for payment of privileged claims; and (iii) for the payment of unsecured claims. Creditors with mortgages (*crediti ipotecari*) and pledges (*crediti garantiti da pegno*) have priority in the distribution of what has been eventually obtained from the liquidation of the relevant secured assets. Secured claims backed by mortgages and pledges will be treated as unsecured claims for the part of the claims which is not covered by the value of the asset subject to the mortgage or the pledge.

- **Treatment of executory contracts upon admission to the judicial liquidation proceeding**: Pursuant to Article 172 of the Code the opening of the judicial liquidation entails that the performance of executory contracts is suspended until the receiver elects to (a) continue the performance of the executory contracts; in such case, he/she must assume all the obligations stemming from the continued contracts and the amounts which become due to creditors in the context of the judicial liquidation proceeding must be paid in full in priority to amounts owing to other creditors; or (b) terminate the executory contracts; in such a case, creditors are entitled to submit a claim for breach of performance, without in any event being entitled to damages by way of extra-contractual liability. Specific rules set forth in Articles 173-192 of the Code apply with reference to suspension, termination and continuation of specific contracts (such as, for example, labor contacts, financial leasing, insurance and subcontracting agreements).

Different rules are applicable in the event that the receiver is authorized to continue the business, following the opening of the judicial liquidation. In particular, pursuant to Article 211, paragraphs 2 and 3, of the Code, the tribunal (with the judicial order that declares the commencement of the judicial liquidation) or, subsequently, the delegated judge (upon request of the receiver) may authorize the continuation of the business or of a business line of the business of the entity in judicial liquidation. In this scenario, Article 211, paragraphs 8, of the Code provides that the performance of executory contracts related to the relevant branch of business continues, unless the receiver elects to suspend of terminate them.

b) **Composition with creditors (*concordato preventivo*)**:

A company which is insolvent or in a situation of crisis (as defined above) and that has not been declared insolvent by the court has the option to make a composition proposal to its creditors, under court supervision, in order to compose its overall indebtedness and/or reorganize its business, thereby avoiding a declaration of insolvency and the initiation of insolvency proceedings (so called "*concordato preventivo*"). Such composition proposal can be made by a commercial enterprise which exceeds any of the following thresholds: (i) has had assets (*attivo patrimoniale*) in an aggregate amount exceeding €0.3 million for each of the three preceding fiscal years, (ii) gross revenue (*ricavi lordi*) in an aggregate amount exceeding €0.2 million for each of the three preceding fiscal years, and (iii) has total indebtedness in excess (included debts not yet due) of €0.5 million. Only the debtor can file a petition with the court for a *concordato preventivo* with the court based in the location of the debtor's main office. The debtor must file the petition together with, among others, a restructuring plan containing an analytic description of manner and timing of the fulfilment of the proposal and an expert report assessing the feasibility of the composition proposal and the truthfulness of the business and accounting data provided by the company. The petition for *concordato preventivo* is then published by the debtor in the company's register by the registry of the court and communicated to the public prosecutor. From the date of such publication to the date on which the court validates the *concordato preventivo*, preexisting creditors cannot obtain security interests (unless authorized by the court) and mortgages registered within the 90 days preceding the date on which the petition for the *concordato preventivo* is published in the company's register are ineffective against such pre-existing creditors. According to Article 54, paragraph 2, of the Code, provided that the petition for the admission to the *concordato preventivo* includes the relevant request for Measures (as defined below), from the date of publication of the petition in the companies' registry, it is prohibited to commence or continue the enforcement and the conservative actions (or, in any event, to take any initiatives prohibited under the relevant Measures). At any time pending the proceedings, the debtor may request to be granted Measures, which can also be requested pursuant to Article 44 of the Code, together with a pre-petition for the access to one of the restructuring tools provided for by the Code.

The composition proposal submitted by the entrepreneur within the *concordato preventivo* may provide for: (i) the restructuring and payment of debts and the satisfaction of creditors' claims (provided that, in any case, it will ensure payment of at least 20% of the unsecured receivables, except for the case of *concordato preventivo* on a going concern basis (*concordato con continuità aziendale*), including through extraordinary transactions, such as the granting to creditors and to their subsidiaries or affiliated companies of shares, bonds (including bonds convertible into shares), or other financial instruments and debt securities); (ii) the transfer to a receiver (*assuntore*) of the operations of the entrepreneur making the composition proposal; (iii) the organization of creditors into classes (which is mandatory in certain cases provided under the Article 85 of the Code), provided that each class is composed of creditors having homogeneous legal positions and economic interests; and (iv) different treatment of creditors belonging to different classes. The composition proposal may also contain a proposed tax settlement for the partial or deferred payment of certain taxes. Save for the provisions provided for under Article 109 of the Code with respect to the creditors' rights to vote on the composition proposal, pursuant to Article 86 of the Code in the context of a composition with creditors on a going concern basis (*concordato con continuità*) the restructuring plan underlying the composition proposal may provide for a standstill for the repayment of secured creditors, unless it is envisaged the liquidation of the assets encumbered by the relevant security interests, with the exception of the repayment of secured creditors (*creditori privilegiati*) pursuant to Article 2751-bis, paragraph 1 of the Italian Civil Code (i.e. employees receivables secured by a general privilege over the movable assets of the entrepreneur etc.) for which the standstill cannot exceed a period of 6 months from the validation (*omologazione*) of the *concordato preventivo*.

The *concordato preventivo* proposal may also provide, inter alia: (i) the continuation of the business by the entrepreneur as going concern; or (ii) the transfer of the business to one or more companies (*concordato con continuità aziendale*) as well as for a particular composition with creditors proceeding through which any assets that are no longer necessary to run the business of the company are liquidated (*concordato misto*). According to Article 84, paragraph 3 of the Code, the *concordato misto* qualifies as a *concordato con continuità aziendale*, regardless of the "portion" of business for which going concern is envisaged. In these cases, the plan and the petition for the *concordato preventivo* must fully describe the costs and revenue that are expected as a consequence of the continuation of the business as a going concern, as well as the financial resources and support which will be necessary. The report of the expert must also certify that the continuation of the business is conducive to the satisfaction of creditors' claims to a greater extent than if such composition proposal was not implemented. Existing contracts, even if entered with governmental bodies, are automatically not to be terminated by admission to procedure.

Article 91 of the Code provides that, if the composition with creditors' plan, includes an offer for the sale of the entrepreneur's assets or the sale of a going concern of the entrepreneur to an identified third-party, the court or the delegated judge shall order that for appropriate publicity to be given to the offer itself in order to acquire competing offers (*offerte concorrenti*). If expressions of interest are received, the court or the delegated judge, by decree, shall order the opening of the competitive proceeding. Furthermore pursuant to Article 91, paragraph 4, the judicial decree referred above establishes the procedures for the submission of irrevocable offers, providing that in all cases, among others, the following is ensured: (a) their comparability, (b) the requirements for the participation of the bidders, (c) the forms and timing of access to relevant information, (d) any limits on their use, (e) the manner in which the judicial commissioner must provide them to those who request them, (f) the manner in which the competitive procedure is to be conducted, (g) the minimum increase in the consideration to be provided by the subsequent offers, (h) the guarantees to be given by the bidders, (i) the forms of publicity, and (l) the date of the hearing for the evaluation of the bids if the sale takes place before the court. With the sale or with the assignment, whichever is earlier, to a person other than the original bidder identified in the plan, the latter and the entrepreneur are released from their obligations towards each other and accordingly the entrepreneur shall amend the proposal and plan in accordance with the outcome of the competitive proceeding.

Pursuant to Article 84, paragraph 4, the Code, in order to strengthen the position of the unsecured creditors, a *concordato preventivo* for liquidation purposes (*concordato liquidatorio*) (i.e., a composition with creditors proposal aiming at transferring all the assets to the creditors and having such assets sold in their interest by the judicial commissioner) must ensure that (i) external resources are contributed which increase the assets available at the time of the filing of the relevant petition by at least 10% and (ii) the unsecured creditors (either originally unsecured or unsecured due to the write-off of their secured claims) are paid in a percentage equal to 20% of their total claims. In this respect, it should be noted that resources contributed for the purpose of a *concordato preventivo* for liquidation purposes (*concordato liquidatorio*) may be distributed notwithstanding the provisions set forth under Articles 2740 and 2741 of the Italian Civil Code provided that such distribution complies with the 20% requirement set forth above (hence without having to comply with the statutory priority rules). Resources contributed are considered as "external" when provided for any reason by the entrepreneur's shareholders without obligation of repayment or subordination, in relation to which the plan provides them to be for the sole benefit of the creditors. This provision does not apply to composition with creditors proposals based on the continuation of the going concern (*concordato con continuità aziendale*).

Under the *concordato preventivo*, there is no dispossession of the entrepreneur who accordingly retains management powers under the supervision of a court-appointed official (*commissario giudiziale*) and the delegated judge (*giudice delegato*). From the date of the publication of the petition to the date on which the court validates the *concordato preventivo*, the entrepreneur is entitled to operate in the ordinary course of its business, although extraordinary transactions require the prior written approval of the court. Provided that the abovementioned steps are taken, during this time, all enforcement actions, precautionary actions and interim measures sought by the creditors, whose claims accrued prior to the filing of the petition by the entrepreneur, are stayed. The accrual of interests is suspended for the same timeframe, except for claims secured by pledges, mortgages, liens or privileges (*privilegi*). Pre-existing creditors cannot obtain security interests (unless authorized by the court) and mortgages registered within the 90 days preceding the date on which the petition for the *concordato preventivo* is published in the companies' register are ineffective against such pre-existing creditors. Any act, payment or security executed or created after the filing of the *concordato preventivo* application and in accordance with its rules and procedures is exempt from clawback action. The entrepreneur is also exempt from certain bankruptcy criminal offenses provided under Articles 322, third paragraph ("preferential bankruptcy"), and 323 ("simple bankruptcy") of the Code, in relation to acts and payments made in execution of the Composition with Creditors and/or in relation to super-senior financings and payment of pre-existing receivables authorized under Articles 99, 100 and 101 of the Code. Claims arising from acts lawfully carried out by the entrepreneur during the *concordato preventivo* proceedings rank super senior (*prededucibili*) also in the event of a subsequent judicial liquidation and shall be paid pending the proceedings within the relevant due date.

The terms and the performance of the outstanding contracts which have been entered into, from time to time, by the entrepreneur are not automatically affected by the *concordato preventivo* proceeding and normally continue pending the procedure, any agreement to the contrary being ineffective. However, pursuant to Article 97 of the Code, the entrepreneur may request the competent court to be authorized to terminate outstanding agreements (*contratti ancora ineseguiti or non compiutamente eseguiti*) if the continuation of such agreements is inconsistent with the prospects and the execution of the composition with creditors' plan, except for certain agreements which are excluded from the scope of the above provision (e.g., employment agreements (*rapporti di lavoro subordinato*), residential real estate preliminary sale agreements (*contratti preliminari di vendita aventi ad oggetto immobili ad uso abitativo*) and real estate lease agreements (*contratti di locazione di immobili*)). The request may be filed with the competent court at the time of the filing of the application for the *concordato preventivo* or to the judge (*giudice delegato*), if the application is made after admission to the procedure. Upon the entrepreneur's request, the pending agreements can also be suspended for a period of time (a) between 30 and 60 days from the date of the filing of the preliminary petition, subject to only one possible further extension of up to 60 days, where there are reasonable grounds for such extension (*giustificati motivi*) or in the event where filings for a judicial liquidation proceeding are pending, renewable just once. When the composition proposal together with the relevant plan have been submitted, the suspension may also be authorized by the court for a further duration, which, however, may not exceed thirty days from the date of the decree opening the procedure, which may not be further extended. In such circumstances, the other party has the right to receive an indemnification equivalent to the damages suffered for the non-fulfillment of the agreement. Such indemnification would be paid prior to and outside of the admission to the *concordato preventivo* procedure.

The filing of the petition for the *concordato preventivo* may be preceded by the filing of a preliminary and simplified petition pursuant to Article 44 of the Code. For sake of clarity, under Code, the simplified petition may be utilized by the entrepreneur to access either a Debt Restructuring Agreement (as defined below) or a restructuring plan subject to approval by the court (*piano di ristrutturazione soggetto ad omologazione*) or a *concordato preventivo*. The entrepreneur may file such petition, reserving the right to submit the underlying plan, the proposal and all relevant documentation (or the Debt Restructuring Agreement, or the restructuring plan subject to approval by the court (*piano di ristrutturazione soggetto ad omologazione*)) within a period assigned by the court (a) between 30 and 60 days from the date of the filing of the preliminary petition, subject to only one possible further extension of up to 60 days, where there are reasonable grounds for such extension (*giustificati motivi*) or in the event where filings for a judicial liquidation proceeding are not pending. If the court accepts such preliminary petition, it may, among other things: (i) appoint a judicial commissioner (*commissario giudiziale*) to overview the company, who, in the event that the entrepreneur has carried out one of the activities under Article 106 of the Code (e.g., concealment of part of assets, omission to report one or more claims, declaration of nonexistent liabilities or commission of other fraudulent acts), will report it to the court, which, upon further verification, may reject the petition at court for a *concordato preventivo*; and (ii) set forth reporting and information duties of the company during the abovementioned period. As mentioned above, filing the simplified petition, the entrepreneur may request the application of protective and interim measures.

Pursuant to Article 44, paragraph 1, letter c) of the Code, the decree setting the term for the presentation of the documentation contains also the periodical information requirements (also relating to the financial management of the company and to the activities carried out for the purposes of the filing of the application and the restructuring plan) that the company has to fulfill, at least on a monthly basis, until the lapse of the term established by the court. The entrepreneur will file, monthly, the company's financial position, which is published, the following day, in the company's register.

Non-compliance with these requirements results in the simplified petition being declared inadmissible and, upon request of the creditors or the public prosecutor and provided that the relevant requirements are verified, in the adjudication of the distressed company into judicial liquidation. If the activities carried out by the entrepreneur appear to be clearly inappropriate to the preparation of the "full" application, the court may, *ex officio*, after hearing the entrepreneur and if appointed the judicial commissioner, reduce the time for the filing of additional documents. Following the filing of the simplified petition and until the decree of admission to the *concordato preventivo*, the distressed company may: (i) carry out acts pertaining to its ordinary activity; and (ii) seek the court's authorization to carry out acts pertaining to its non-recurring activity, to the extent they are urgent, and the payment of claims accrued prior to the filing. Claims arising from acts lawfully carried out by the distressed company after the filing of the *concordato preventivo* petition (including preliminary petition) have super priority (*prededucibilità*) in case of a subsequent judicial liquidation.

During the *concordato preventivo*, the payment of receivables accrued prior to the filing of the petition (preliminary and simplified petition pursuant to Article 44 of the Code) is prohibited. However, under Article 100 of the Code, in the event of a *concordato preventivo* on a going concern basis:

- the entrepreneur may request the court to be authorized to pay pre-existing receivables relating to the purchase of goods or services and the remunerations due to workers employed in the business whose continuation is envisaged under the plan, if an expert certifies that they are essential for business continuity and to ensure the best satisfaction of creditors (such expert's certificate is not necessary if the payment if made with funds made available to the entrepreneur on a non-refundable basis or subordinated to the prior satisfaction of the creditors)

- the entrepreneur may repay, in accordance with the relevant contractual terms, the installments due under a loan agreement which is secured by way of a security interest over the assets used in the business, provided that: (a) at the date of the filing of the petition, the entrepreneur has fulfilled its obligations or the court authorizes the payment of the debt for principal and interest due at that date; and (b) an expert certifies (i) that such payments are essential for the continuation of the business activity and functional to ensuring the best satisfaction of the creditors and, (ii) that the secured claims can be fully satisfied with the proceeds of the liquidation of the asset carried out at market value and that the repayment of the installments due does not prejudice the rights of the other creditors.

Furthermore, the going concern-based arrangements with creditors can provide for, among others, the winding up of those assets that are not functional to the business allowed. The Composition Agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes.

If the court determines that the composition proposal is admissible, it appoints a judge (*giudice delegato*) to supervise the procedure, appoints one or more judicial officers (*commissari giudiziali*) and schedules a specific period of time during which creditors can express their vote. During the implementation of the proposal, the company generally continues to be managed by its corporate bodies (usually its board of directors), but is supervised by the appointed judicial officers and judge (who will authorize all transactions that exceed the ordinary course of business).

Pursuant to Article 90 of the Code provides for the possibility for creditors (except for individuals or entities controlled, controlling or under common control of the entrepreneur) holding at least 10% of the aggregate claims against a entrepreneur to present an alternative plan (*proposta concorrente*) to the entrepreneur's plan - within 30 days prior from the related creditors' vote on the entrepreneur's plan - in a court supervised composition with creditors proceedings (*concordato preventivo*) subject to certain conditions being met, including, in particular, that the proposal of the entrepreneur does not ensure satisfaction of at least 30% of the unsecured claims (which percentage is reduced to 20% in case the entrepreneur has filed for a Negotiated Composition under Article 12 of the Code).

The *concordato preventivo* is voted on within the period of time scheduled by the court (which, pursuant to Article 104, paragraph 5 of the Code is doubled in the presence of noteholders) and must be approved with the favorable vote of (a) the creditors representing the majority of the receivables admitted to vote and, also in the event that the plan provides for more classes of creditors, or (b) the majority of the receivables admitted to vote is reached the majority of the classes (in case of *concordato preventivo* for liquidation purposes) or all the classes (in case of *concordato preventivo* on a going concern basis). Pursuant to Article 109, paragraph 1, of the Code, in case one creditor holds more than the majority of receivables admitted to voting, it is also necessary to reach majority by headcount. The *concordato preventivo* is approved only if the required majorities of creditors expressly voted in favor of the proposal. Creditors who did not exercise their voting right will be deemed not to approve the *concordato preventivo* proposal. Secured creditors are not entitled to vote on the proposal of *concordato preventivo* unless and to the extent they waive their security, or if the *concordato preventivo* provides that they will not receive full satisfaction of the fair market value of their secured assets (such value being assessed by an independent expert), in which case they can vote only in respect of the part of their debt affected by the proposal. Among others, (i) the companies controlling the entrepreneur, controlled by the entrepreneur and those under the control of the entity controlling the entrepreneur, (ii) the assignees of the claims of the entities under point (i), if the assignment has been perfected during the year preceding the *concordato preventivo* and (iii) creditors in conflict of interest are excluded from voting.

Differently from the general rules set out above, pursuant to Article 109 paragraph 5 of the Code, the *concordato preventivo* on a going-concern basis (*concordato con continuità aziedale*), is approved if all the creditors' classes vote in favor. In each class, the relevant composition with creditors' proposal is approved if the majority of the claims allowed to vote is reached or, failing that, if two-thirds of the claims of the voting creditors have voted favorably, provided that the creditors holding at least half of the total claims of the same class have voted. However, if one or more classes voted against, pursuant to Article 112, paragraph 2 of the Code the court may still validate (*omologare*) the *concordato preventivo* if the following conditions are jointly fulfilled:

- the liquidation value of the entrepreneur is distributed in accordance with the statutory priority rules;

- the value generated by the proceedings exceeding the liquidation value is distributed in such a way that the claims included in the dissenting classes receive overall treatment at least equal to that of the classes of the same rank and more favorable than that of the classes of a lower rank;

- no creditor receives more than the amount of its claim;
- the proposal is approved by a majority of the classes, provided that at least one of them consists of secured creditors rights, or, failing that, the proposal is approved by at least one class of creditors who would be at least partially satisfied respecting the statutory priority rules on the value exceeding the liquidation value.

Pursuant to Article 112, paragraph 5 of the Code, within the framework of the *concordato preventivo* for liquidation purposes, if 20% of the creditors or, in case there are different classes of creditors, a creditor belonging to a non-adhering class, contest the economic convenience of the plan, the court may nevertheless validate (*omologare*) the *concordato preventivo* if it deems that the proposed treatment of their claims is at least equivalent to what they would recover in a judicial liquidation scenario.

The court validates (*omologa*) the *concordato preventivo* even in the absence of a vote by the tax authority or by the social contribution entities (*enti gestori di forme di previdenza o assistenza obbligatorie*) when their positive vote is decisive for the purposes of achieving the majorities referred to in Article 109, paragraph 1 of the Code, also on the basis of the result of the report of the expert referred to in Article 88 of the Code, the proposal to satisfy the aforesaid authorities and entities is convenient or not detrimental compared to a judicial liquidation scenario.

Pursuant to Article 109, paragraph 5 of the Code, secured creditors shall not vote if their claims are satisfied in cash, in full, within 180 days from the validation (*omologa*) of the concordato con continuità and provided that the security interests supporting the related claims remains firm until the winding-up, functional to their satisfaction. In case of claims of employees or other claims secured under Article 2751-bis of the Italian Civil Code, the delay is reduced to 30 days from the approval by the court.

After the obtainment of the approval by the required majority of creditors, the court validates (*omologa*) the composition with creditors and appoints one or more liquidators in order to execute the approved plan if it has to be realized by way of a transfer of assets. The court may grant special powers to the judicial commissioner to implement the plan if the entrepreneur does not cooperate, including by taking all corporate actions required.

Pursuant to Article 111 of the Code, if the creditors do not approve the *concordato preventivo*, the delegated judge (*giudice delegato*) shall promptly inform the court which, having decided that the appropriate conditions apply, shall declare the opening of the judicial liquidation proceeding.

Pursuant to Article 119 of the Code, each creditor, or the judicial commissioner (*commissario giudiziale)* upon creditors' request, may request the termination of the *concordato preventivo* in case of breach of its provisions by the entrepreneur. In this case, the court declares the opening of the judicial liquidation proceeding, following the termination of the *concordato preventivo,* unless the state of insolvency results from debts arising after the filing of the request for the opening of the *concordato preventivo.*

Furthermore, pursuant to Article 120 of the Code, the termination of the *concordato preventivo* may be requested when it is discovered that the liabilities in the plan have been fraudulently exaggerated or a significant part of the assets has been concealed. The relevant claim must be commenced within six months from the discovery of the concealment/exaggeration and, in any event, within two years from the deadline originally scheduled for the last activity to be carried out under the *concordato preventivo* itself.

If the composition with creditors is implemented, terms and conditions of payments are amended as per the *concordato preventivo* proposal, and the entrepreneur may return to its usual operations (if the assets of the company are still in his possession). *Concordato preventivo* is compulsory for all creditors prior to the publication of the application in the companies' register. However, creditors retain without prejudice their rights against co-debtors and guarantors of the entrepreneur. In case of non-minor breaches, the *concordato preventivo* may be terminated by each of the creditors or the judicial commissioner (in case of petition by one or more of the creditors). The relevant lawsuit must be brought within one year from the deadline originally scheduled for the last activity to be carried out under the *concordato preventivo* itself.

c) **Extraordinary administration**: Decree 270 introduced a specific extraordinary administration proceeding, otherwise known as the "Prodi-bis" (the **Prodi-bis procedure**), applicable to insolvencies of major companies (the **Extraordinary Administration**).

The aim of the Prodi-bis procedure is to ensure continuation of the business operated by the debtor by either enabling the same to regain the ability to meet its obligations in the ordinary course of business by the end of the procedure or by transferring the business (on a going concern basis) to third parties.

To qualify for the Prodi-bis procedure, the company must have:

- employed at least 200 employees in the year before the procedure was commenced; and
- debts equal to at least two-thirds of the value of its assets as shown in its financial statements and two-thirds of income from sales and the provision of services during the last financial year.

Insolvent companies, belonging to the group of a company that qualifies for the Prodi-bis, may be submitted to the Prodi-bis, if certain conditions are met, also if they do not qualify per-se for the Prodi-bis. The Prodi-bis procedure is divided into a "judicial phase" and an "administrative phase."

Judicial Phase

In the judicial phase, the court determines whether the entrepreneur meets the admission criteria and whether it is insolvent. It then issues a decision to that effect and appoints up to three judicial receivers (*commissiario giudiziale*) to investigate whether the entrepreneur has real prospects for recovery via a business sale or reorganization. The judicial receiver files a report with the court within 30 days, and within ten days from such filing, the Italian Economic Development Ministry (the **Ministry**) may make an opinion on the admission of the entrepreneur to the extraordinary administration procedure. The court then decides (within 30 days from the filing of the report) whether to admit the entrepreneur to the procedure or to place it into judicial liquidation.

Administrative Phase

Assuming that the entrepreneur is admitted to the extraordinary administration procedure, the administrative phase begins and an extraordinary commissioner (or commissioners) is appointed by the Ministry. The extraordinary commissioner(s) prepare(s) a plan which can provide for either the sale of the business as a going concern within one year (unless extended by the Ministry) (the **Disposal Plan**) or a reorganization leading to the entrepreneur's economic and financial recovery within two years (unless extended by the Ministry) (the **Recovery Plan**). The plan may also include an arrangement with creditors (*e.g.*, a debt for equity swap, an issue of shares in a new company to whom the assets of the entrepreneur have been transferred, etc.) (*concordato*). The plan must be approved by the Ministry within 30 days from submission by the extraordinary commissioner.

In addition, the extraordinary commissioner draws up a report every six months on the financial condition and interim management of the entrepreneur and sends it to the Ministry.

The procedure ends upon successful completion of either a Disposal Plan or a Recovery Plan, failing which the entrepreneur is declared insolvent.

Law Decree No. 4/2024 introduced Article 74-*bis* in the Decree 270, with the aim of facilitating the closure of the procedure in the event that the company successfully overcomes the status of insolvency (also prior to the expiration of the deadline of the Recovery Plan or the Disposal Plan). In particular, pursuant to Article 74-bis, paragraph 1, of the Decree 270, if the company manages to overcome the status of insolvency the Extraordinary administration can be declared closed by the competent court, even pending litigations or enforcement proceedings involving the company. The extraordinary commissioners maintain the representation of the company in such proceedings and also in the proceedings to be commenced following the closure of the Extraordinary administration to enforce judicial decisions issued during the procedure. Article 74-*bis* also outlines certain rules aimed at regulating the residual activities of the extraordinary commissioners following the closure of the procedure. Among other things, any sums eventually obtained by the extraordinary commissioners following the closure of the procedure are placed in a deposit bank account and are subject to distributions among creditors. When declares the closure of the procedure under Article 74-*bis*, the court provides for additional reporting activities of the extraordinary commissioners and sets the rules for the supplementary distribution of the sums eventually obtained following the closure of the procedure.

d) Industrial restructuring of large insolvent companies (*ristrutturazione industriale di grandi imprese in stato di insolvenza*)

Introduced in 2003 pursuant to the Decree 347/2003, the procedure is also known as the **Marzano procedure**. It is complementary to the Prodi-bis and, except as otherwise provided in Decree 347, the provisions of the Prodi-bis shall apply. The Marzano procedure only applies to insolvent companies which, on a consolidated basis, have at least 500 employees in the year before the procedure was commenced and at least Euro 300 million of outstanding debt.

Under Decree 347, the decision whether to open the procedure is taken by the Minister of Economic Development that, upon request of the debtor (who at the same time must file with the relevant court an application for the declaration of its insolvency), assesses whether the relevant requirements are met and if such requirements are met appoints the extraordinary commissioner(s). The extraordinary commissioner(s) immediately becomes responsible for the management of the company. The court decides on the insolvency of the company.

Within 180 days of his appointment (or 270 days if so agreed by the Minister of Economic Development) the extraordinary commissioner(s) must submit a plan for the rescue of the business by way of an asset liquidation or restructuring to the Minister of Economic Development for approval and at the same time must file with the competent court a report on the state of the business.

A restructuring plan proposed in the context of proceedings subject to Decree 347 may include a composition plan, with the possibility to divide creditors into classes, with different treatment applicable to creditors belonging to different classes and with proposals for a write-off of any obligations owed by the debtor and/or a conversion of debt securities (such as the Securities) into shares of the debtor company or any of its group companies. Decree 347 provides that a composition plan is approved by creditors according to the same majority voting rules as those which apply in the context of proceedings for composition with creditors, as described above. If the restructuring plan is not approved by the Minister of Economic Development, the extraordinary commissioner(s) may propose a plan for the disposal of the assets. If the asset disposal program is not approved, the company is to be placed into liquidation.

Where Decree 134 applies to an extraordinary administration, its purpose is broadly to widen the powers of sale. For this purpose, the insolvency administrator is granted powers to identify and compose lines of business or partial lines of business, even if not pre-existing, which may be made subject to sale.

Law Decree No. 4/2024 amended Article 2, paragraph 2, of the Decree 347, providing that in cases of companies directly or indirectly owned by state public administrations (excluding those issuing shares listed on regulated stock exchanges), admission to the Marzano procedure of companies operating one or more industrial plants having a national strategic relevance may occur upon request of shareholders holding, individually or jointly, at least 30 percent of the company's shares, provided that the shareholders have communicated to the managing body of the company that the requirements for the admission to the procedure are met and the managing body of the company has either failed to submit the application for the admission to the procedure within the subsequent fifteen days or within the same fifteen days' term refused to file the petition in question. From the date of submission of the request by the shareholders, and until the closure of the Marzano procedure or until the court's decision declaring the absence of the requirements for the opening of the procedure becomes final, the company cannot pursue any restructuring proceedings provided for by the Code. A company cannot be admitted to the Marzano Procedure where a petition to commence a Negotiated Composition has been previously filed.

e) Reorganization plan pursuant to Article 56 of the Code (piano attestato di risanamento).

Reorganization plans pursuant to Article 56 of the Code (**Certified Recovery Plans**) addressed to the creditors and prepared by entrepreneurs who are either insolvent or in a state of crisis, in order to restructure their indebtedness and to ensure the recovery of their financial condition. An independent expert appointed directly by the entrepreneur must verify the feasibility of the restructuring plan and the truthfulness of the business data provided by the company. There is no need to obtain court approval to appoint the independent expert. The latter must possess the specific professional requisites and qualifications set forth by Article 2, paragraph 1, letter o), namely: (*i)* be enrolled in the Register of Auditors and Accounting Experts (*Registro dei Revisori Contabili);* (*ii)* meet the requirements set forth by Article 2399 of the Italian Civil Code; and (*iii)* not be linked to the company or other parties involved in the crisis resolution operation by personal or professional relationships and may be subject to liability in case of misrepresentation or false certification (**Expert**).

Certified Recovery Plans and the relevant debt restructuring arrangements executed in implementation thereof are not under any form of judicial control or approval and, therefore, no application is required to be filed with the court or supervising authority. Also, such plans and relevant arrangements are not required to be approved and consented to by a specific majority of all outstanding claims.

The terms and conditions of these Certified Recovery Plans are freely negotiable, provided they are finalized at restructuring the entrepreneur's indebtedness and rebalancing its financial position. Unlike a Negotiated Composition, Debt Restructuring Agreements, Simplified Composition (as defined below) and other proceedings provided for under the Code, Certified Recovery Plans do not offer the entrepreneur any protection against enforcement proceedings and/or interim/precautionary actions of third-party creditors.

The Code provides that, should these plans fail, and the entrepreneur be declared insolvent, the payments and/or acts carried out, and/or security interest granted on the entrepreneur's assets for the implementation of the reorganization plan, subject to certain conditions (a) are not subject to any clawback action (*azione revocatoria*), including the clawback action provided for pursuant to Article 2901 of the Italian Civil Code, as provided for pursuant to Article 166, paragraph 3, letter d) of the Code; and (b) are exempted from the potential application of certain criminal sanctions. Neither ratification by the court nor publication in the companies' register are needed (although publication in the companies' register of the plan, the report by the Expert and the arrangements is possible upon an entrepreneur's request and would allow to certain tax benefits). Since the reorganization plan (or the agreements entered into to implement it) is not subject to any court approval or judicial review, it cannot be excluded that the abovementioned exemption effects will be challenged in the event of subsequent judicial liquidation, if the competent court were to assess that the reorganization plan was not feasible at the time it was certified by the Expert.

The Code sets forth specific rules regarding Certified Recovery Plans and the restructuring arrangements entered into with creditors in implementation thereof, which must be complied with for such plans and arrangements to grant protection against clawback actions and potential civil and criminal responsibilities. More in detail, a Certified Recovery Plan must be supported by adequate documentation representing the financial and commercial situation of the entrepreneur and which also needs to indicate, among others, the causes of the crisis and the new resources which will be made available to the entrepreneur and the industrial plan. Moreover, they must be suitable for the purpose of assuring the restructuring of the indebtedness of the entrepreneur and rebalancing its financial position and, in case of its failure and subsequent challenge (*impugnazione*) before an Italian court, it must not be deemed as being unreasonable.

f) **Debt restructuring agreements pursuant to Article 57 of the Code (*accordi di ristrutturazione dei debiti*)**

Debt restructuring agreements with creditors (*accordi di ristrutturazione dei debiti*) provided for pursuant to Article 57 and ff. of the Code (**Debt Restructuring Agreements**) may be entered into by the entrepreneur, also non-commercial and other than the minor entrepreneur, with creditors representing at least 60% of claims. The Debt Restructuring Agreements, which shall be drafted in line with the requirements provided for the Certified Recovery Plans, involve a form of hybrid work-out, being a private agreement adhered to creditors but nonetheless subject to court approval (*omologazione*). An Expert appointed by the entrepreneur must certify the truthfulness of the business and accounting data provided by the company and declare that the underlying agreement is feasible and that the Debt Restructuring Agreement and the underlying restructuring plan ensure that the indebtedness vis-à-vis non-participating creditors can be fully satisfied within the following terms in a 120-day term from: (i) the date of validation (*omologazione*) of the Debt Restructuring Agreement by the court, in the case of debts which are due and payable to the non-participating creditors as of the date of the said validation (*omologazione*); or (ii) the date on which the relevant debts fall due, in case of debts which are not yet due and payable to the non-participating creditors as at the date of the said validation (*omologazione*).

Pursuant to Article 57 of the Code, only an entrepreneur who is insolvent or facing a state of crisis (as defined above) can initiate this process and request the court's validation (*omologazione*) of the Debt Restructuring Agreement entered into with its creditors.

The Debt Restructuring Agreement is published in the companies' register and becomes effective as of the day of its publication. Creditors and other interested parties may challenge the agreement within 30 days from the publication of the agreement in the companies' register. After having settled with the opposition (if any), the court will validate (*omologa*) the Debt Restructuring Agreement by issuing a decree, which can be appealed within 30 days of its publication pursuant to Article 51 of the Code.

The Code provides for the general principle of liberty of the contents of the restructuring proposal by debtor (*autonomia negoziale*) within the set limits and does not expressly provide for any indications concerning the contents of the Debt Restructuring Agreement or the underlying plan. The said plan can therefore provide, *inter alia*, either for the entrepreneur or a third-party carrying out the business, or the sale of the business, and may contain refinancing agreements, moratoria, write offs and/or postponements of claims. The Debt Restructuring Agreement may also contain a proposed tax settlement for the partial or deferred payment of certain taxes. Article 58, paragraph 1 of the Code sets the rule for when substantial amendments are made to the plan. More precisely, in the event of substantial amendments to the plan before the approval, the report issued by the Expert and the consent to the Debt Restructuring Agreement expressed by creditors shall be renewed. The Expert's report shall also be renewed in the event of substantial amendment. In the event of substantial amendments after the court validation (*omologazione*), the entrepreneur shall make such amendments as are appropriate to ensure the implementation of the Debt Restructuring Agreement, by requesting the update of the certified report issued by the Expert having the requirements set forth in Article 57, paragraph 4 of the Code. In this case, the renewed certified report, together with the amended restructuring plan, shall be published in the companies' register, giving appropriate notice to the creditors by registered letter or by certified email (PEC). The parties may file an objection (*opposizione*) to the abovementioned decree within 30 days after having been notified of the same.

With the petition for the approval by the court of the Debt Restructuring Agreement (or at any time pending the procedure) the entrepreneur may request to be granted protective measures (e.g. a stay of enforcement and interim actions against its assets or a prohibition to the creation by creditors of security interest (unless it is agreed in the debt restructuring agreement) in relation to pre-existing debts, etc.) (the **Measures**). Such Measures can also be requested (i) pursuant to Article 54, paragraph 3 of the Code, to the court by the entrepreneur pending negotiations with creditors (i.e., prior to the filing of the petition for the validation (*omologazione*) of the Debt Restructuring Agreement), subject to certain conditions, or (ii) pursuant to Article 44 of the Code, together with a pre-petition for the access to one of the restructuring tools provided for by the Code. According to Article 54, paragraph 2, of the Code, provided that the petition for approval of the Debt Restructuring Agreement includes the relevant request for Measures, from the date of publication of the petition in the companies' registry, it is prohibited to commence or continue any enforcement or interim/conservative actions against the assets of the entrepreneur or the goods or rights used for conducting its business (or, in any event, to take any initiatives prohibited under the relevant Measures).

Pursuant to Article 64 of the Code, if the debtor files a petition for Measures, creditors may not unilaterally refuse to perform executory contracts or terminate/accelerate such contracts or modify the terms thereof solely due to the filing of such petition. Any contractual provisions to the contrary are without effect. Moreover, pursuant to Article 64(4) of the Code creditors affected by Measures may not unilaterally refuse to perform, terminate, amend or accelerate any "essential contracts" solely due to the failure in payment by the debtor. For the purpose of the Code, "essential contracts" are those agreements which are considered necessary for the continuation of the ordinary/day-to-day management of the company, including supply contracts whose interruption would prevent the continuation of the activity of the debtor.

Creditors entering into the Debt Restructuring Agreement are not required to receive the same treatment (i.e., they are free to reject the proposal and to protect their interests otherwise) and no cram-down is applicable to third-party non-adhering creditors, who shall be fully re-paid within 120 days from: (i) the date of validation (*omologazione*) of the Debt Restructuring Agreement by the court, in the case of debts which are due and payable to the non-participating creditors as of the date of the said validation (*omologazione*); or (ii) the date on which the relevant debts fall due, in case of debts which are not yet due and payable to the non-participating creditors as at the date of the said validation (*omologazione*), as per respectively Article 57, paragraph 3 letters a) and b), unless the exception provided for Debt Restructuring Agreements with extended effects (*accordi di ristrutturazione ad efficacia estesa)* provided pursuant to Article 61 of the Code applies.

The court, having verified the completeness of the documentation filed by the entrepreneur, sets the date for a hearing to be held no earlier of 15 days from the notification of the relevant filing. Pending such deadline, creditors and other interested parties may file an opposition to the approval. At such hearing, the court decides upon any opposition and assesses whether the conditions for the approval are met.

Pursuant to the Article 61 of the Code, entrepreneurs are entitled to enter into Debt Restructuring Agreements by obtaining the approval of creditors representing at least 75% of the credits belonging to the same category (with respect to the homogeneity of their legal position and economic interests) and can request the court to declare that agreement binding on the non-adhering creditors belonging to the same category (so called "cram down"), provided that the below conditions are met.

More in detail, Debt Restructuring Agreements with extended effects (*accordi di ristrutturazione ad efficacia estesa)* provided pursuant to Article 61 of the Code can be applied to any category of creditors, provided that the following requirements, *inter alia*, must be complied with: (i) all the creditors belonging to the same category have been informed of the start of the negotiations and have been able to participate in them in good faith and have received complete and up-to-date information on the entrepreneur's assets, economic and financial position as well as on the Debt Restructuring Agreement and its effects; (ii) the Debt Restructuring Agreement provides for the continuation of the business activity either directly or indirectly pursuant to Article 84 of the Code; (iii) the claims of the consenting creditors belonging to a same category represent at least 75% of all the claims belonging to the same category, being understood that a creditor may hold claims in more than one category; (iv) the non-adhering creditors belonging to the same category to which the effects of the agreement are extended can be satisfied under the agreement for an amount not lower than the amount they would receive with the judicial liquidation and (v) the entrepreneur has notified the agreement, the application for court approval and the documents attached thereto to the creditors to be crammed down. The percentage of 75% is lowered to 60% if the debt restructuring agreement is referred to in the Final Report issued by the Expert at the end of the negotiations pertaining to the Negotiated Composition.

Moreover, pursuant to the new Article 61, paragraph 5, of the Code, a special provision is set forth for entrepreneurs whose financial indebtedness is at least 50% of their total indebtedness: in this situation the Debt Restructuring Agreement may identify one or more categories of creditors which are banks and financial intermediaries which have a homogeneous legal position and economic interests and extend the effects of the agreement to non-participating creditors who are part of the same category. In such instance, the agreement is valid even if it does not contemplate the direct or indirect continuation of the business activity as a going concern. However, in such case the rights of creditors who are not banks or financial intermediaries remain valid.

Similarly, pursuant to the new Article 62 of the Code, a standstill agreement (*convenzione di moratoria*) entered into by and between an entrepreneur and its creditors representing 75% of the same class would also bind the non-participating creditors, provided that (a) the Expert has been appointed and certifies (i) the truthfulness of the business data, (ii) the attitude of the standstill agreement to temporarily regulate the effects of the crisis and (iii) the fact that the treatment reserved to non-adhering creditors is at least equal to the one they could obtain in the context of a judicial winding up, and (b) certain further conditions are met (e.g., all the creditors belonging to the relevant category have been duly noticed of the beginning of the negotiations, or have been made able to participate in the negotiations and have received complete and up-to-date information on the entrepreneur's assets, economic and financial position and on the agreement and its related effects). Non-adhering crammed-down creditors can challenge the standstill agreement within 30 days after having been notified of the same.

In no case Debt Restructuring Agreements with extended effects provided for under Article 61 of the Code and standstill agreements provided under Article 62 of the Code may impose on the non-adhering creditors, *inter alia*, performance of new obligations, the granting of new overdraft facilities, the maintenance of the possibility to utilize the existing facilities or the utilization of new facilities.

Furthermore, Article 60 of the Code provides for the so-called facilitated Debt Restructuring Agreements ("*accordi di ristrutturazione agevolati*"). Such particular kind of Debt Restructuring Agreements may be entered into with creditors representing as little as 30% of the total indebtedness (instead of the 60% generally required under Article 57, paragraph 1 of the Code) provided that the entrepreneur: (i) does not request a standstill for the repayment of non-consenting creditors (usually provided for by law, for a period of 120 days from the court approval of the agreement or from the maturity date of the relevant obligations, in "ordinary" restructuring agreements); and (ii) has not previously requested to the court the granting of protective interim measures on its assets and waives to such measures.

By virtue of Article 59 of the Code, Article 1239 of the Italian Civil Code applies to the creditors that have adhered to the Debt Restructuring Agreement. Hence, non-participating creditors maintain their claims towards (i) those who are jointly and severally liable with the entrepreneur, (ii) the entrepreneur's guarantors and (iii) debtors by way of right of recourse (*regresso*). Unless agreed otherwise, Debt Restructuring Agreements produce effect towards the shareholders who are jointly liable with non-limited liability companies, provided that, if such shareholders have granted guarantees, they will remain liable as guarantors.

Furthermore, pursuant to Article 73 of the Code, in case of revocation of the validation (*omologazione*), the court, upon the debtor's petition, shall order the conversion to a judicial liquidation procedure. If the revocation results from acts of fraud (*atti in frode ai creditori*) or non-performance of the obligations arising under the Debt Restructuring Agreement, the petition for conversion may also be proposed by creditors or by the public prosecutor. In case of conversion, the court shall grant additional time to the debtor aimed at supplementing the documentation and shall act in accordance with Article 270 of the Code.

g) Super-senior financing under the Code

The main features of the provisions concerning different available financings under the Code (namely, bridge financings, interim financings, implementation financings) are set out below.

Pursuant to Article 6(1) of the Code, the claims deriving from such financings are expressly qualified as super senior by law and by Article 6(2) of the Code, which clarifies that their super senior ranking natures continues in the context of any subsequent insolvency or enforcement proceedings (including in a judicial liquidation or any so-called minor proceedings), with certain exceptions described below.

Interim financing - Article 99, paragraphs 1 to 4 of the Code

Pursuant to Article 99, paragraphs 1 and 2, of the Code, in the context of restructuring transactions on a going concern basis, also in cases in which business continuity is maintained exclusively in a view of liquidation, the Court, also prior to the filing of the documentation required for the validation (*omologazione*) of a Debt Restructuring Agreement or the admission to a *concordato preventivo*, may authorize the entrepreneur, if so expressly requested, to be granted with any form of financing facilities and to secure such indebtedness subject to the court's authorization with in rem security (*garanzie reali*), or by assigning claims, provided that: (A) the petition specifies (i) the purpose of the financing; (ii) that the entrepreneur is unable to otherwise obtain the required funds and (iii) that the absence of such financing will entail an imminent and irreparable prejudice to the going concern or to the proceedings; and (B) the Expert appointed by the entrepreneur, having verified the overall financial needs of the entrepreneur until the validation (*omologazione*), declares that the new financing are functional to the continuity of the business activities until the validation (*omologa*) of the relevant insolvency proceedings or to the opening of the proceedings or to conduct them and, in any case, are aimed at providing a better satisfaction of the rights of the creditors. The Expert report is not necessary in case the court recognizes that there is the urgent need to avoid an imminent and irreparable prejudice to the going concern.

Bridge Financings - Article 99 Paragraph 5 Code

Pursuant to Article 99, paragraph 5, of the Code, financings (together with the related claims) granted, in any form, in view of (i.e., before) presentation of a petition for the validation (*omologazione*) of a Debt Restructuring Agreement or a *concordato preventivo* (so called "bridge-financing (*finanza ponte*)"), may be granted such priority status provided that (i) they meet the requirements of Article 99, paragraphs 1 and 2 (described above), and (ii) it is envisaged by the relevant plan or agreement and that such priority status is expressly provided for by the court in the decree of validation (*omologazione*) of the Debt Restructuring Agreement or the admission to the *concordato preventivo*.

The indebtedness under such financing option may be secured, subject to the court's authorization, with in rem security (*garanzie reali*), or by assigning claims.

With reference to interim financings and bridge financings, Article 99 Paragraph 6 of the Code provides that, in case of the opening of a judicial liquidation, such financings (although authorized by the court in the context of the composition with creditors or the debt restructuring agreement) do not benefit from super senior ranking when it is proved (jointly) that:

- the request or the Expert report contains false data or omits relevant information, or when the debtor has committed acts to defraud creditors in order to obtain the authorization; and

- the receiver proves that the entities who provided the financing, at the date of issuance, knew the aforementioned circumstances.

Implementation financing - Article 101 Code

In restructuring transactions on a going concern basis, pursuant to Article 101 of the Code, any financing granted to the entrepreneur in performance of a Debt Restructuring Agreement or a *concordato preventivo* validated (*omologato*) by the competent court and expressly provided for in the relevant plan, enjoy super senior priority status (*prededucibilità*) in case of subsequent judicial liquidation.

Pursuant to Article 101, paragraph 2 of the Code, such financings do not benefit from the super senior ranking, in case of the opening of a judicial liquidation (alternatively):

- when, based on an assessment to be made at the time of filing of the petition for the opening of the proceeding, the plan underlying the composition with creditors (*concordato preventivo*) or the debt restructuring agreement (*accordo di ristrutturazione del debito*) turns out to be based on false data or on the omission of relevant information; or

- when the debtor has carried out acts of fraud towards its creditors and the receiver proves that the lenders providing the financings were aware of such circumstances at the time of the establishment of the financings.

The shareholders' financing – Article 102 of the Code

Pursuant to Article 102, Paragraph 1 of the Code super senior ranking status (*prededuzione*) also applies to any financings made available by shareholders in any form (including any guarantee facility or granting counter-indemnities) up to 80% of their amount.

Paragraph 2 of Article 102 of the Code clarifies that, to the extent the financing is made available by an entity becoming a shareholder in the context of and by way of implementation of a composition with creditors or debt restructuring agreement, all the claims deriving from such financings benefit of super senior ranking status and the 80% threshold limitation set out in Paragraph 1 does not apply.

h) **Negotiated composition for the overcoming of business' crisis *(composizione negoziata per la soluzione della crisi d'impresa)***

The negotiated composition for the overcoming of business' crisis (*Composizione negoziata per la soluzione della crisi d'impresa*, hereinafter **Negotiated Composition**) was first introduced Law Decree No. 118 of August 24, 2021 and then has been incorporated into the Code. It is an out-of-court proceedings, but the court can be involved in the two following circumstances: (i) when the entrepreneur files a petition pursuant to Article 18 of the Code requesting the competent court to confirm or modify the protective measures of its assets provided for pursuant to Article 18 of the Code on the same day as the publication of the request in the relevant Companies' Register (*Registro delle*

Imprese) and the acceptance of the Expert (as defined below) or with a subsequent petition and, if necessary, to enact the interim measures necessary to complete the negotiations, and (ii) when the entrepreneur files a petition asking the court to authorize certain actions and transactions not falling within the ordinary course of business in accordance with the provisions set forth under Article 22 of the Code.

The Negotiated Composition is a proceeding aimed at facilitating the recovery of entrepreneurs which "despite being in conditions of asset or economic and financial imbalance such as to make it likely that financial distress or insolvency will occur, have the potential to remain in the market, including through the sale of the business or a branch of it."

According to Article 12 of the Code, the Negotiated Composition can be pursued by enterprises, either commercial (*imprenditore commerciale*) and agricultural (*imprenditore agricolo*), which are undergoing a distressed situation with reference to their assets, their business and/or their financial position, such that it is likely that a distress/crisis or insolvency will follow. It is, therefore, a procedure aiming at anticipating further deterioration of the entrepreneur's situation. Pursuant to Article 17, paragraph 3, letter d) of the Code, *inter alia*, the entrepreneur or the enterprise filing for a Negotiated Composition (i) shall certify that no judicial liquidation proceedings or similar proceedings are pending towards itself nor requests for the admission to the procedures provided for under Articles 40 of the Code, including pursuant to Articles 44, paragraph 1, letter a) and 54, paragraph 3, have been previously filed and (ii) in the event that the application for a Negotiated Composition is dismissed, other than the case where such dismissal is requested by the entrepreneur, may not submit a new request before one year has elapsed after dismissal.

Pursuant to Article 25 of the Code, the Negotiated Composition may also apply to group of companies, which may commence one proceeding all together. It should be noted that paragraph 9 of such provision provides for the group companies—at the end of the negotiations—to either enter into one of the agreements referred to in Article 23, paragraph 1 of the Code as a group, or use one of the tools referred to under Article 23 of the Code, both separately or as a whole group.

The Negotiated Composition is commenced on a voluntary basis only, with the filing by the entrepreneur of a petition for the appointment of a third-party and independent expert (the **Expert**) to the Secretary General of the relevant Chamber of Commerce by way of a dedicated electronic platform (the **Platform**). Pursuant to Article 16 of the Code the person who acted as Expert in the context of a *composizione negoziata*, shall not have or maintain professional relations with the relevant entrepreneur for at least two years following the termination of such proceedings.

The Expert is appointed within five days upon the filing of the request. The Expert is responsible for facilitating and managing the negotiations between the company, its creditors and any other interested parties, in order to identify a solution to overcome the crisis or the insolvency, including through the transfer of the business or a branch thereof.

The Expert assesses his/her own independence, the adequacy of his/her own professional expertise and his/ her own time availability with respect to the prospected assignment, and, if the outcome of the assessment is positive, notifies his/her acceptance to the entrepreneur and uploads it on the Platform. In case of negative outcome, the Expert confidentially notifies it to the commission, which appoints a new Expert. If the Expert accepts the appointment, he/she meets with the entrepreneur in order to assess whether there are concrete and real chances of recovery. The entrepreneur attends the meeting personally and can be assisted by its advisors.

If the Expert finds that there are actual and real chances of recovery (*risanamento*), he/she meets with the parties involved in the entrepreneur's recovery process and presents the possible strategies, scheduling periodic meetings close in time to one another. During the negotiations, all the parties involved must act in good faith and with fairness, must cooperate and are bound by confidentiality on the entrepreneur's situation, on the actions carried out or planned by the entrepreneur and on the information received in the course of the negotiations. The entrepreneur must provide a complete and clear representation of his/her situation and manage his/her assets without causing unfair prejudice to the creditors. Banks and financial intermediaries, their agents, and, in case of credit assignment and/or transfer, their assignees or transferees, must take part in the negotiations actively and in an informed manner, and the access to the Negotiated Compositions does not, by itself, constitute ground for suspending or revoking (or withdrawal from) banking overdraft facilities made available to the entrepreneur. Specific provisions apply to negotiations involving employment contracts.

If the Expert finds that there are no real chances of recovery (*risanamento*), after the meeting with the entrepreneur or thereafter, he/she has to promptly notify the entrepreneur and the secretary general of the chamber of commerce, which provides for the dismissal of the entrepreneur's petition. The Expert's appointment is considered terminated if, after 180 days from its appointment, the parties have not agreed on a solution (that can also be proposed by the Expert) for overcoming the entrepreneur's distressed situation. However, the Expert's appointment can continue up to further 180 days (pursuant to Article 17, paragraph 7 of the Code) if (i) all the parties involved in the negotiations require so and the Expert agrees, or (ii) the prosecution of the appointment is required by the fact that the entrepreneur has filed a petition to the court pursuant to Article 19 and/ or Article 22 of the Code.

Pursuant to Article 17(5) of the Code, during the *composizione negoziata della crisi* the Expert may invite the parties to re-determine, according to good faith, the terms of the contracts for continuous, periodic performance or deferred performance if the performance on the debtor's side has become excessively burdensome or the contractual equilibrium has changed as a result of intervening circumstances. The parties are required to collaborate together to re-determine the contractual terms or to adjust the performance to the changed circumstance. Although Article 17(5) of the Code does not include a specific power for a judge or for the Expert to amend or alter the terms of the contracts in question if the parties are unable to find an agreement as to the changes to be made, it is currently unclear on what basis or under what conditions the non-defaulting party may legitimately refuse to agree to amend the contract.

According to Law Decree no. 118/2021, which continues to be in force although has not been transposed into the provisions of the Code, a similar re-determination power as to the content and terms and conditions of agreements is granted in the context of the procedure at stake to the presiding judge where the contractual equilibrium has been jeopardized or affected by circumstances surrounding the Covid pandemic. As opposed to the scenario contemplated under Article 17(5) of the Code, in this case the presiding judge may directly order the modification of the terms of an agreement where alleged to give rise to a very vague standard of "excessive burden" or "changed circumstances" due to the Covid pandemic.

Pursuant to Article 17, paragraph 8 of the Code, at the end of his/her appointment the Expert issues a final report (the **Final Report**), uploads it on the Platform, and notifies it to the entrepreneur and to the court that has granted the protective measures and interim measures (if any) which declares the termination of their related effects.

Pursuant to Article 18 of the Code, together with the petition for appointment of the Expert, or with a subsequent petition, the entrepreneur can request the application of protective measures, which may also be limited, upon entrepreneur request, to certain creditors' claims or to a specific category of creditors. The protective measures consist of the following: from the date of publication of the relevant petition, preexisting creditors cannot obtain security interests unless agreed upon by the entrepreneur and all enforcement and interim actions against its assets and the goods and rights used for conducting its business are stayed. However, as opposed to what happens in the composition with creditors proceedings (*concordato preventivo*), payment of preexisting creditors is not forbidden. The protective measures do not apply to employees' claims.

From the date of publication of the petition requesting the application of the protective measures until the date of conclusion of the negotiations or dismissal of the petition for the Negotiated Composition, the ruling of opening the judicial liquidation proceedings (*sentenza di apertura della liquidazione giudiziale*) or the declaration of the insolvency of the entrepreneur cannot be declared by the court, unless such protective measures were previously revoked.

The creditors whose rights are affected by the protective measures cannot unilaterally refuse to perform their obligations under the contracts in place with the entrepreneur, nor terminate such contracts, nor anticipate their expiration date, nor amend them with detrimental consequences for the entrepreneur, solely on the ground of the missed payment of claims arisen prior to the publication of the petition requesting the application of the protective measures. However, the creditors may suspend the fulfillment of the pending contracts from the publication of the petition requesting the protective measures until such measures are obtained. If the entrepreneur applies for the protective measures (which, as said, are immediately effective), it must simultaneously file the same request to the competent court, in order to allow a judge to check the said measures and to confirm them or, if necessary, to modify them. In the absence of this request, the protective measures will be ineffective.

The duration of the protective measures and, if necessary, the interim measures, is established by an order of the court in a range between 30 and 120 days, and, upon request of the parties and after obtaining the opinion of the Expert, can be extended for the time required to positively finalize the negotiations up to a maximum of 240 days, given that the judge may discretionary order the revocation of such protective measures or shorten their duration.

During the Negotiated Composition the entrepreneur remains able to continue the ordinary and extraordinary management of the company, subject to certain conditions. More precisely, pursuant to Article 21 of the Code, pending the negotiations, the entrepreneur may carry out acts pertaining to ordinary activity, and, upon written notice to the Expert, carry out acts pertaining to extraordinary activity or make payments non-consistent with the negotiations nor with the perspectives of recovery, in such a way as to avoid prejudicing the economic and financial sustainability of the business. Furthermore, if during the course of the negotiations, it appears that the entrepreneur is insolvent but there are real prospects of recovery, the entrepreneur shall manage the enterprise in the best interests of the creditors, subject to his liabilities.

If the Expert believes that a certain act causes prejudice to the creditors, to the negotiations or to the perspectives of recovery, he/she reports it in writing to the entrepreneur and to the enterprise's control body. If, notwithstanding the Expert's report, the entrepreneur carries out the relevant act, the entrepreneur gives immediate notice to the Expert, who may file his/her dissent with the companies' register. At the request of the entrepreneur, one or more creditors or the Expert, the Court that has granted the protective measures and/or interim measures may, at any time, revoke such measures or reduce their duration when they do not meet the aim of ensuring the positive outcome of the negotiations or they appear disproportionate in relation to the prejudice caused to the creditors, pursuant to Article 19, paragraph 6 of the Code. If the protective measures are revoked, the prohibition of the obtainment of security interests by preexisting creditors ceases to be effective for the date on which the protective measure has been revoked.

Pursuant to Article 22 of the Code, the court, upon the entrepreneur's request and to the extent that this is consistent with the continuation of the business as a going concern and with the maximization of the creditors' recovery, may authorize:

- the entrepreneur or one or more companies belonging to the same group to incur new super-senior indebtedness (*prededucibile*) pursuant to Article 6 of the Code;

- the entrepreneur to incur new super-senior indebtedness ("*prededucibile*") via shareholders' financing pursuant to Article 6 of the Code; and

- the entrepreneur to transfer its business, or certain business branches, without the effects provided under Article 2560, paragraph 2, of the Italian Civil Code, without prejudice to

Article 2112 of the Italian Civil Code. However, in such case it will be for the court itself to identify the measures it considers appropriate, taking also into account the requests of the parties concerned, in order to protect all the interests involved. The court shall also verify the compliance with the competitiveness principle in choosing the purchaser.

Pursuant to Article 23 of the Code, the Negotiated Composition can terminate as follow:

- execution of an agreement between the entrepreneur and one or more creditors, which constitutes cause for application of the reward measures provided under Article 25-bis, paragraph 1 of the Code if, according to the Expert's Final Report, such agreement ensures the continuation of the business as a going concern for at least 2 years;

- execution of a standstill agreement (*convenzione di moratoria*) pursuant to Article 62 of the Code;

- execution of an agreement signed by the entrepreneur, by the creditors and by the Expert, with the effects provided under Articles 166, paragraph 3, lett. d) and 324 of the Code. With such agreement the Expert acknowledges that the reorganization plan (*piano di risanamento*) seems to be consistent with the composition of the insolvency and crisis of the entrepreneur.

At the end of the negotiations, if none of the above-mentioned agreements is executed, the entrepreneur may alternatively:

- file a petition requesting the validation of a debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti*) pursuant to Articles 57, 60 and 61 of the Code. The percentage referred to under Article 61, paragraph 2, letter c) of the Code is reduced to 60% if the achievement of the agreement results from the Final Report of the Expert.

- arrange an out-of-court reorganization plan (*piano attestato di risanamento*) pursuant to Article 56 of the Code;

- file a petition for admission to the *concordato semplificato per la liquidazione del patrimonio* provided for pursuant to Article 25-sexies of the Code;

- enter into one of the insolvency proceedings provided under the Code or in the Prodi-bis procedure or the Marzano procedure (see above);

Furthermore, pursuant to Article 24 of the Code:

- the actions and transactions authorized by the court pursuant to Article 22 of the Code shall maintain their effects in the event of a subsequent validated debt restructuring agreement with creditors (*accordo di ristrutturazione dei debiti omologato*), a validated court-supervised composition with creditors proceedings (*concordato preventivo omologato*), opening of the judicial liquidation proceeding (*apertura della liquidazione giudiziale*), a validated restructuring plan (*piano di ristrutturazione soggetto ad omologazione)* provided for pursuant to Article 64-bis of the Code, a compulsory administrative winding-up (*liquidazione coatta amministrativa*), extraordinary administration for large insolvent companies (*amministrazione straordinaria*) or simplified composition with creditors proceedings for liquidation purposes (*concordato semplificato per la liquidazione del patrimonio*) provided for pursuant to Article 25-sexies of the Code validated (*omologato*) by the court;

- the payments of debts that are immediately due and payable, any onerous transactions and the granting of security interests made after the Expert accepted its appointment, are exempted from clawback actions pursuant to Article 166, paragraph 2, of the Code if they are consistent with the development and the status of the negotiations and with the perspectives of recovery (risanamento) in place at the time the payment/transaction/granting of security interest was made;

- acts pertaining to the entrepreneur's extraordinary activity and payment made after the Expert accepted its appointment are subject to clawback actions pursuant to Article 165 and Article 166 of the Code if the Expert has registered his/her dissent in the companies' register pursuant to Article 21, paragraph 4 of the Code or if the competent court has denied its authorization pursuant to Article 22 of the Code; and

- payment and transactions made after the Expert accepted its appointment, which the Expert assesses to be consistent with the development of the negotiations and with the perspectives of recovery (risanamento) of the enterprise, or which have been authorized by the court pursuant to Article 22 of the Code, benefit of exemptions from the potential application of certain criminal sanctions.

Potential outcomes of the Negotiated Composition: the simplified composition with creditors proceedings for liquidation purposes (concordato semplificato per la liquidazione del patrimonio)

The simplified court-supervised composition with creditors with liquidation purpose (*concordato semplificato per la liquidazione del patrimonio*, hereinafter **Simplified Composition**) has been introduced, as a potential outcome of the negotiated composition, by Article 18 of the Law Decree 118/2021, subsequently incorporated in Article 25-*sexies* of the Code.

If, in its Final Report, in the context of a Negotiated Composition, the Expert states that the negotiations did not have a positive outcome (i.e. the entrepreneur has not been able to reach an agreement with its creditors) but have been conducted according to fairness and good faith and that the options provided under Article 23, paragraphs 1 and 2, letter b), of the Code are not feasible, within 60 days following the notification of the Final Report the entrepreneur may file to the competent court where the entrepreneur has its center of main interests a petition for admission to the Simplified Composition, together with a liquidation plan and the documents listed under Article 39 of the Code. The petition for the Simplified Composition is then published in the companies' register within the day following the filing with the court. From the date of such publication, the effects provided under Articles 6, 46, 94 and 96 of the Code will apply.

Following the filing of such application, the court (i) appoints an "auxiliary" (*ausiliario*) to, inter alia, express an opinion on the entrepreneur's proposal; (ii) orders that the proposal, together with the opinion of the auxiliary and the Final Report of the expert, be delivered by the entrepreneur to the creditors appearing on the list filed by the entrepreneur itself; and (iii) sets the date of the hearing for the validation by the court (*omologazione*). Creditors and any third-party which has any interests are entitled to object to the court validation (*omologazione*) within ten days before the date fixed for the hearing.

If the court, having verified the legitimacy of the objection and the procedure, as well as compliance with priority creditor claims and the feasibility of the liquidation plan, finds that the proposal does not prejudice the creditors with respect to the alternative of a judicial liquidation and that, in any event, it ensures a benefit to each creditor, it approves the composition with creditors proposal by decree, by which it shall also appoint a liquidator.

The court issues a decree of validation (*omologazione*) of the Simplified Composition when it finds that (i) the proceeding has been carried out in accordance with relevant laws and regulations and the adversarial principle among the parties (*contraddittorio*); (ii) the proposal is compliant with security interests rights (*cause di prelazione*) and the liquidation plan is feasible, and (iii) the proposal does not cause a prejudice to the creditors compared to what they would receive in case of judicial liquidation of the entrepreneur, and in any case ensures that each creditor receives a certain recovery. With the approval decree, the court also appoints a liquidator.

The parties may file an objection (*opposizione*) to the abovementioned decree within 30 days after having been notified of the same.

Pursuant to Article 25-septies of the Italian Civil Code, the liquidation plan may also include an offer by a pre-identified third-party to transfer the business or one or more branches of the business or specific assets to such third-party, even before the approval: in this case, the judicial liquidator, having verified the absence of better solutions on the market, may implement the offer.

i) Restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*)

The Code has introduced a new restructuring tool named "restructuring plan subject to validation (*piano di ristrutturazione soggetto ad omologazione*)" (the **Restructuring Plan**), the rules of which are set out in the new Articles 64-bis, 64-*ter* and 64-*quater* of the Code.

This new tool takes the form of a restructuring framework that may disregard the distribution rules of regular insolvency proceedings but can be enacted provided that strict requirements are met. In this regard, it should be noted that recourse to this instrument will be reserved for an entrepreneur in crisis or who is insolvent that plans to satisfy its creditors by dividing them into classes according to homogeneous legal positions and economic interests. This instrument allows the plan's proceeds to be distributed even in derogation of the principle of "*par condicio creditorum*" (*i.e.* the equal treatment of creditors) and statutory priority rules, provided that the proposal is voted in favor by all creditors' classes (where the rules on voting are the same as those provide for the *concordato preventivo*). A judgement of admissibility is provided for by the court, which is called upon to assess the proposal's timeliness and to verify the correctness of the class formation criteria.

Application for the approval by the court of a restructuring plan must follow the steps of the common framework applicable to all restructuring tools and frameworks (*i.e. concordato preventivo*, Debt Restructuring Agreement and also to judicial liquidation).

The entrepreneur maintains the ordinary and extraordinary management of the enterprise in the prevailing interest of the creditors, under the supervision of the court commissioner. The entrepreneur is, in any case, allowed to amend the application at any time, formulating a proposal for a *concordato preventivo*. In that case, the time limit for approval is shortened. Similarly, the entrepreneur that has filed an application for *concordato preventivo* may amend the application by applying for approval of the Restructuring Plan provided that the application is made before voting commences. In each class, the proposal is approved if a majority of the claims allowed to vote is reached or, failing that, if two-thirds of the claims of the voting creditors have voted in favor, provided that creditors holding at least half of the total claims of the same class have voted. The court will approve the restructuring plan in the event of approval by all classes. If a dissenting creditor objects to the proposal, the court will approve and validate (*omologa*) the restructuring plan if the proposal satisfies the claim to a not lesser extent than the one resulting from a judicial liquidation. A creditor that has not objected to the lack of convenience in its observations may not file an objection referred before, unless it proves such the lack of objection was due to a cause not attributable to it. In summary the restructuring plan subject to validation (*piano di ristrutturazione soggetto ad omologazione*) thus represents for the entrepreneur an opportunity which minimizes the admissibility phase, providing greater freedom of action, but requiring the approval of all classes of creditors in order to be effectively approved.

Against the judgment of the court ruling on the approval of the Restructuring Plan, the parties may file an appeal to the competent court of appeal within the term of 30 days from the notification of the relevant judgement of the court.

j) **Common rules for pre-judicial liquidation restructuring frameworks *(strumenti di regolazione della crisi e dell'insolvenza della società)* and special provisions applicable in case of group of companies**

In order to facilitate access and filing of restructuring procedures by the Italian companies, Articles 120- *bis* and ff. of the Code have been enacted, introducing a set of rules applicable to all pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*). Among other things, pursuant to Article 120-*bis*, paragraph 2 of the Code and for the purposes of a successful restructuring, the plan may provide for "*any modification of the articles of association of the debtor company, including capital increases and reductions, including with limitation or exclusion of the option right and other modifications that directly affect the shareholders' participation rights, as well as for mergers, demergers and transformations*." Shareholders, who may no longer have an interest in the company, are prevented from hindering the restructuring or even one of its stages. For this reason, pursuant to Article 120-*bis*, paragraphs 3 and 4 of the Code, the shareholders, while retaining a right to information in relation to both the initiation and the progress of the restructuring process, may not remove the directors without just cause, as is the case for the statutory auditors of joint stock companies, also in light of the fact that under the provisions of the Code it is not considered as being just cause for directors' removal, the filing for access to the pre- judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) when the related legal conditions and requirements are met. However, pursuant to Article 120-*bis*, paragraph 5, shareholders representing at least 10% of the filing company's corporate capital may make a competing proposal.

The plan may provide for the formation of one class of shareholders or several classes if there are shareholders to whom different rights are granted by the by-laws, including as a result of the changes provided for in the plan. The formation of classes is, however, mandatory if the plan provides for changes that directly affect the shareholders' participation rights and, in any case, for large companies and companies with widespread capital. In this context, special conditions for approval of the composition with creditors are set out pursuant to Article 120-*quater* of the Code when and if the plan provides for shareholder attributions. Specific rules are then provided to ensure that creditors' interests are protected in all cases in which the restructuring tool envisages shareholders to retain a participation in the company with a certain value.

Article 120-*quinquies* of the Code, regulates the execution phase of such measure. In order to avoid any obstructive attitude of the shareholders towards the approval of the restructuring tool, this provision expressly excludes the necessity for their approval and/or resolution on the implementation of such restructuring tool, by generally attributing the relevant powers to the directors or more specifically to the competent court, in relation to any amendment to the debtor's by-laws which - being specifically provided for by the plan - do not require any discretionary resolution. Finally, it is stipulated that changes in the corporate structure resulting from the implementation of a pre-judicial liquidation restructuring tools (*strumenti di regolazione della crisi e dell'insolvenza*) shall not be considered as and constitute cause for the termination or amendment of any agreement entered into by the debtor with third parties.

Pursuant to Article 284 and ff. of the Code, multiple companies in crisis or insolvency belonging to the same group (each having its center of main interest in Italy) can utilize the composition with creditors or a Debt Restructuring Agreement by filing a single petition and on the basis of a single plan for all the group companies or different plans mutually linked if this results in a better recovery for the creditors of each company, in comparison with the recovery that they would theoretically get if each company proposes a separate plan. This requirement shall be assessed taking into account the individual interests of the creditors of each company, in compliance with the principle of separation of assets and liabilities, which prevents the creditors of a company to be satisfied with the assets of another company.

However, the Code contemplates few exceptions to the principle of separation of assets and liabilities: the plan underlying the composition with creditors or the Debt Restructuring Agreement may envisage contractual and reorganization transactions, including intra-group transfers of resources, provided that an Expert certifies that such transactions are necessary ***(i)*** for the continuation of the business of the companies pursuant to the plan and ***(ii)*** are consistent with the aim of optimizing recovery for the creditors of all group companies.

Dissenting creditors and shareholders may challenge such intra-group transfers of resources. However, in spite of such a challenge being made, the court can rule to validate (*omologare*) the composition with creditors or the Debt Restructuring Agreement it if the following additional conditions are met:

- in case of a challenge by creditors, the court considers, on the basis of an overall assessment of the plan or linked plans, that the creditors can obtain a recovery of their receivables equal or better than what they would obtain in judicial liquidation proceedings of the company; and

- in case of challenge by shareholders, if the court – on the basis of the group plan – excludes the occurrence of an impairment of the value and profitability of their shareholdings in light of the countervailing benefits arising to the individual companies involved.

k) Insolvency proceedings under Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015

On June 5, 2015, Regulation (EU) 2015/848 of the European Parliament and of the Council of May 20, 2015 on insolvency proceedings, as subsequently amended and supplemented (the **Recast EU Insolvency Regulation**) was published in the Official Journal of the European Union.

The Recast EU Insolvency Regulation applies within the European Union, other than Denmark, to insolvency proceedings opened after June 26, 2017 and with respect to a company whose center of main interests is located in a Member State.

Main insolvency proceedings

Pursuant to Article 3(1) of the Recast EU Insolvency Regulation, the court with jurisdiction to open insolvency proceedings in relation to a company that has its "center of main interests" in a Member State is the court of the Member State in which the center of a debtor's main interests is situated. However, pursuant to Article 4 of the Recast EU Insolvency Regulation, a court requested to open insolvency proceedings will be required to examine whether it has jurisdiction pursuant to Article 3. Such court's decision may be challenged by the debtor or any creditor on grounds of international jurisdiction. The "center of main interests" is defined as "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties" and is determined on the date on which application to commence insolvency proceedings is filed.

The "center of main interests" is not a static concept and may change from time to time, but is determined for the purposes of deciding which court has competent jurisdiction to open main insolvency proceedings at the time of the request to open insolvency proceedings; moreover, the determination of where a debtor has its "center of main interests" is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Article 3(1), paragraph 2, provides, in most cases, a rebuttable presumption that a company's center of main interests is in the jurisdiction where its registered office is located. To prevent fraudulent or abusive forum shopping, this presumption only applies if the registered office has not been moved to another Member State within the three-month period before the request to open insolvency proceedings is made. In these circumstances, where the presumption is not applied, the court with jurisdiction to open insolvency proceedings in relation to that company is the court of the Member State in which the company's registered office was previously located.

Specifically, Recital 30 of the Recast EU Insolvency Regulation contains a number of examples of where a presumption as to the center of main interest may be rebutted: for instance, where the company's central administration is located in a Member State other than that of its registered office and where a comprehensive assessment of all the relevant factors establishes, in a manner that is ascertainable by third parties, that the company's actual center of management and supervision and of the management of its interests is located in that other Member State. In that respect, the factors that courts may take into consideration when determining the center of main interest of a debtor can include where board meetings are held, the location where the debtor conducts the majority of its business or has its head office and the location where the majority of the debtor's creditors are established and where they recognize as being the center of the company's operations.

If a company's "center of main interests" is, at the time of the request to open an insolvency proceeding located in the same Member State as its registered office, the main insolvency proceedings with respect to the company under the Recast EU Insolvency Regulation would be commenced in that jurisdiction and, accordingly, a court in that jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the Recast EU Insolvency Regulation. As noted in Preamble 10, Annex A to the Recast EU Insolvency Regulation has been extended to include insolvency proceedings that promote the rescue of economically viable but financially distressed businesses (such as, with respect to Italian insolvency proceedings, restructuring agreements with creditors (*accordi di ristrutturazione*), crisis resolution process of the consumer over-indebtedness (*procedure di composizione della crisi da sovraindebitamento del consumatore*) and winding-up (*liquidazione dei beni*)).

Furthermore, pursuant to Article 6 of the Recast EU Insolvency Regulation, the courts of the Member State in which insolvency proceedings have been opened in accordance with Article 3 have jurisdiction for any action that derives directly from the insolvency proceedings and is closely linked to them, such as avoidance actions.

Secondary insolvency proceedings

Insolvency proceedings opened in one Member State under the Recast EU Insolvency Regulation must be recognized in any other Member States, although secondary proceedings may be opened in other Member States. Under Article 3(2) of the Recast EU Insolvency Regulation, if a debtor's "center of main interests" is in a given Member State, the courts of all other Member States (except Denmark) have jurisdiction to open "secondary" or "territorial" insolvency proceedings only if the debtor has an "establishment" in that other Member State's territory. Secondary proceedings may be any insolvency proceeding listed in Annex A of the Recast EU Insolvency Regulation and for the avoidance of doubt, are not limited to winding-up proceedings. Territorial proceedings are, in effect, secondary proceedings which are commenced prior to the opening of main insolvency proceedings. "Establishment" is defined in Article 2(10) of the Recast EU Insolvency Regulation and means any place of operations where a debtor carries out or, in the three-month period before the request to open main insolvency proceedings, has carried out a non-transitory economic activity with human means and assets. Accordingly, the opening of secondary insolvency proceedings or territorial insolvency proceedings in another Member State will also be possible if the debtor had an establishment in such Member State in the three-month period prior to the request for opening of main insolvency proceedings.

The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other Member State. Where main proceedings in the Member State in which the company has its centre of main interest have not yet been commenced, territorial insolvency proceedings may only be commenced in another Member State where the company has an establishment where either (i) insolvency proceedings cannot be commenced in the Member State in which the company's centre of main interest is situated under the conditions laid down by that Member State's law or (ii) the opening of territorial insolvency proceedings is requested by (a) a creditor whose claim arises from or is in connection with the operation of an establishment situated within the territory of the Member State where the opening of territorial proceedings is requested or (b) a public authority which, under the law of the Member State within the territory of which the establishment is situated, has the right to request the opening of insolvency proceedings. When main insolvency proceedings are opened, territorial insolvency proceedings become secondary insolvency proceedings. Irrespective of whether the insolvency proceedings are main or secondary or territorial insolvency proceedings, such proceedings will, subject to certain exceptions, be governed by the *lex fori concursus*, (*i.e.*, the local insolvency law of the court that has assumed jurisdiction over the insolvency proceedings of the company).

The courts of all Member States must recognize the judgment opening insolvency proceedings of the court commencing proceedings (subject to any public policy exception). The judgment of the court commencing main proceedings will produce the same effects in the other Member States as under the law of the Member State commencing main proceedings, so long as no secondary insolvency proceedings or territorial insolvency proceedings have been commenced in that other Member State and subject to certain other exceptions (*e.g.*, rights *in rem* situated in another Member State remain subject to the original law governing that right). The insolvency practitioner appointed or confirmed by a court in the Member State, which has jurisdiction to commence main proceedings, may exercise the powers conferred on it by the laws of that Member State in another Member State (such as to remove assets of the company from that other Member State). These powers are subject to certain limitations (*e.g.*, the powers are available provided that no insolvency proceedings have been commenced in that other Member State nor any preservation measure to the contrary has been taken there further to a request to commence secondary proceedings in that other Member State where the company has assets).

However, under Article 36 of the Recast EU Insolvency Regulation, to avoid the opening of secondary insolvency proceedings in another Member State, the insolvency practitioner in the main insolvency proceedings may prevent the opening of secondary insolvency proceedings by giving a unilateral undertaking with respect to the assets located in the Member State in which secondary insolvency proceedings could be opened. For this purpose, the insolvency practitioner must undertake to comply with the distribution and priority rights under the relevant national law and from which the local creditors would benefit if the insolvency proceedings were opened in that Member State where the assets are located. Such undertaking must be made in writing and is subject to approval by a majority of local creditors, determined in accordance with applicable local laws. If approved, the undertaking is binding on the insolvent estate and if a court is requested to open secondary insolvency proceedings, it should refuse to open such proceeding if it is satisfied that the undertaking adequately protects the general interests of local creditors.

Insolvency proceedings involving members of a group of companies

The Recast EU Insolvency Regulation provides for a cooperation and communication mechanism with the concept of "group coordination proceedings" in the event that insolvency proceedings concerning two or more members of a group of companies are opened in Member States. Under Article 61 of the Recast EU Insolvency Regulation, group coordination proceedings may be requested before any court having jurisdiction over the insolvency proceedings of a member of the group, by an insolvency practitioner appointed in insolvency proceedings opened in relation to a member of the group. Insolvency practitioners appointed in proceedings concerning a member of the group shall cooperate with any insolvency practitioner appointed in proceedings concerning another member of the group to the extent that such cooperation is appropriate. Similarly, the court which has opened proceedings shall also cooperate with any other court before which a request is made to open proceedings concerning another member of the group to the extent that cooperation is appropriate to facilitate the effective administration of the proceedings, is not incompatible with the rules applicable to them and does not entail any conflict of interest. Further, an insolvency practitioner appointed in insolvency proceedings concerning a member of a group of companies shall cooperate and communicate with any court with jurisdiction over the insolvency proceedings of another group member.

The Recast EU Insolvency Regulation also contains provisions for the proposal and implementation of a group coordination plan and group coordination proceedings, which are designed and implemented by a group coordinator. Participation in the group coordination plan is not compulsory for group members, and there are safeguards to preserve the sovereignty of the applicable law and courts of each group members' insolvency proceedings.

TAXATION

The statements herein regarding taxation are based on the laws and/or interpretations in force as of the date of this Prospectus. The Issuer will not update this overview to reflect changes and/or interpretations. 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 Securities 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. Prospective purchasers of Securities are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of Securities.

This overview is based upon the laws and/or practice in force as of the date of this Prospectus. Tax laws and interpretations may be subject to frequent changes which could be made on a retroactive basis.

The considerations contained in this Prospectus in relation to tax issues are made in order to support the marketing of the financial instruments herein described and cannot be considered as a legal or tax advice. Investors should consult their own tax advisors in connection with the tax regime applicable to the purchase, the ownership and the sale of the Securities.

Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of the Securities and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any state, regional or local tax laws.

The Republic of Italy

Tax treatment of the Securities

Legislative Decree 1 April 1996, No. 239 (**Decree 239**) 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 (hereinafter, collectively referred to as **Interest**) from Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) within the meaning of Article 44 of Italian Presidential Decree 22 December 1986, No. 917 (**Decree 917**) issued, *inter alia*, by companies listed on an Italian regulated market, such as the Securities.

For this purpose, pursuant to Article 44 of Decree 917, debentures similar to bonds are securities that (i) incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and (ii) do not grant to the relevant holders any right to directly or indirectly participate to the management of the issuer or of the business in relation to which they are issued or to control the same management.

Interest on the Securities

Italian resident Securityholders

a. Companies, commercial partnerships and individual entrepreneurs

Interest on the Securities received by Italian resident companies, commercial partnerships or individual entrepreneurs within the context of a business enterprise is included in the taxable base for the purposes of corporate income tax (*imposta sul reddito delle società*, **IRES**), currently at 24 per cent. (increased by a 3.5 per cent. surtax applied to banks and other financial intermediaries), and individual income tax (*imposta sul reddito delle persone fisiche*, **IRPEF**, at progressive rates) and — under certain circumstances — of the regional tax on business activities (*imposta regionale sulle attività produttive*, **IRAP**, generally applying at the rate of 3.9 per cent.; IRAP applies at different rates for certain categories of investors, e.g. banks or other financial institutions and insurance companies and, in any case, can be increased by regional laws). Interest on the Securities that are not deposited with an authorised intermediary, received by the above persons is subject to a 26 per cent. substitute tax levied as provisional tax.

b. Individuals (other than entrepreneurs), non-commercial partnerships, non-commercial private or public institutions, trusts, the Italian State, public and territorial entities and IRES-exempted investors

Pursuant to Decree 239, Interest on the Securities is subject to a 26 per cent. substitute tax if the recipient is included among the following categories of Italian residents: (a) individuals holding the Securities not in connection with entrepreneurial activity (unless they have entrusted the management of the Securities to an authorised intermediary and have opted for the asset management regime ("*risparmio gestito*" regime) according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended (**Decree No. 461**)), (b) non-commercial partnerships, (c) a private or public institution or a trust not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities or (d) investors that are exempt from IRES. Where the resident holders of the Securities described above under (a) and (c) are engaged in an entrepreneurial activity to which the Securities are connected, the 26 per cent. substitute tax applies as a provisional income tax and may be recovered as deduction from Italian income tax due.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the Securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by the Italian law, as amended and supplemented from time to time.

Italian resident individuals holding the Securities not in connection with entrepreneurial activity who have opted for the asset management regime are subject to a 26 per cent. annual substitute tax on the increase in value of the managed assets (which increase would include Interest accrued on the Securities) accrued at the end of each tax year (the **Asset Management Tax**).

c. Investment funds, SICAVs and SICAFs

Interest accrued on the Securities held by Italian investment funds, foreign open-ended investment funds authorised to market their Securities in Italy pursuant to the Decree No. 476 of 6 June 1956 converted into Law No. 786 of 25 July 1956 (the **Funds** and each a **Fund**), *società di investimento a capitale variabile* (**SICAV**) and *società di investimento a capitale fisso* (**SICAF**) is not subject to such substitute tax but is included in the management result of the Fund, SICAV or SICAF. The Fund, SICAV or SICAF will not be subject to taxation on such results, but a withholding tax of 26 per cent. may apply on income of the Fund, SICAV or SICAF derived by Securityholders through distribution and/or redemption or disposal of the Securities.

d. Real estate funds and SICAFs

Interest on the Securities held by Italian real estate funds to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply, or a real estate SICAF is not subject to any substitute tax nor to any other income tax in the hands of the real estate fund or real estate SICAF. The income of the real estate fund or of the real estate SICAF may be subject to tax, in the hands of the unitholder, depending on status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the Securities.

e. Pension funds

Interest on the Securities held by Italian pension funds (subject to the regime provided for by Article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and deposited with an authorised intermediary, is not subject to substitute tax but is included in the aggregate income of the pension funds which is subject to a substitute tax at the rate of 20 per cent. 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 Securities). Subject to certain limitations and requirements (including a minimum holding period), Interest in respect to the Securities may be excluded from the taxable base of 20 per cent. substitute tax, if the Securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by the Italian law, as amended and supplemented from time to time.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary or an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Italian Tax Authorities having appointed an Italian representative for the purposes of Decree 239, and (b) intervene, in any way, in the collection of Interest or in the transfer of the Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of Securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Securities or in a change of the Intermediary with which the Securities are deposited.

Where the Securities are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying Interest to a Securityholder or, absent that, directly by the Issuer.

Non-Italian resident Securityholders

According to Article 6, paragraph 1, of Decree 239, payments of Interest in respect of the Securities are not subject to the 26 per cent. substitute tax if made to a beneficial owner who is a non-Italian resident beneficial owner of the Securities with no permanent establishment in Italy to which the Securities are effectively connected, provided that:

(a) such beneficial owner is resident for tax purposes in a country included in a State or territory which allows for an adequate exchange of information with the Italian tax authorities included in the Ministerial Decree dated 4 September 1996, as amended and supplemented from time to time (the **White List**). According to Article 11, par. 4, let. c) of Decree 239, the White List will be updated every six months period. In absence of the issuance of the new White List, reference has to be made to the Italian Ministerial Decree dated 4 September, 1996 as amended from time to time;

(b) the Securities are deposited directly or indirectly (i) with a bank, fiduciary company, "*società di intermediazione mobiliare*" (so-called **SIM**) and other qualified entities resident in Italy, (ii) with the Italian permanent establishment of a non-resident bank or brokerage company which is electronically connected with the Italian Ministry of Finance, or (iii) with a non-resident entity or company which has an account with a centralised clearance system (such as Euroclear or Clearstream, Luxembourg) which is in contact via computer with the Italian Ministry of Economy and Finance;

(c) such beneficial owner file with the relevant depository a self-statement in due time stating, *inter alia*, that he or she is resident, for tax purposes, of a State or territory included in the White List. The self-statement, which must comply with the requirements set forth by Ministerial Decree of 12 December 2001, is valid until withdrawn or revoked. The self-statement is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state; and

(d) the banks or brokers mentioned above receive all necessary information to identify the non-resident beneficial owner of the deposited Securities, and all the necessary information in order to determine the amount of Interest that such beneficial owner is entitled to receive.

Non-resident holders are subject to the 26 per cent. substitute tax on Interest if any of the above conditions (a), (b), (c) or (d) is not satisfied.

Decree 239 also provides for additional exemptions from the susbstitute tax for payments of Interest in respect of the Securities made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors established in countries included in the White List; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

Non-resident holders of the Securities who are subject to substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between his or her country of residence and the Republic of Italy.

Capital gains

Italian resident Securityholders

a. Individuals (other than entrepreneurs), non-commercial partnerships, non-commercial private or public institutions, trusts and IRES-exempt investors

A 26 per cent. substitute tax is applicable on capital gains realised on the disposal of Securities by Securityholders included among the following categories of Italian residents: (a) individuals holding the Securities not in connection with entrepreneurial activity (unless they have entrusted the management of the Securities to an authorised intermediary and have opted for the asset management regime ("*regime del risparmio gestito*") according to Article 7 of Decree No. 461), (b) non-commercial partnerships, (c) private or public institutions or trusts not carrying out mainly or exclusively commercial activities or (d) investors that are exempt from IRES.

Taxpayers listed under point from (a) to (c) above, in respect of the application of *imposta sostitutiva*, may opt for one of the three regimes described below:

i. Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident Securityholders under (a) to (c) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains (net of any incurred capital loss) realised by the Italian resident Securityholder. In this instance, "capital gain" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding the Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay the *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.

ii. As an alternative to the tax declaration regime, Italian resident Securityholders under (a) to (c) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (*regime del risparmio amministrato*). Such separate taxation of capital gains is allowed subject to:

(i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and

(ii) an express election for the regime del *risparmio amministrato* being timely made in writing by the relevant Securityholder.

The depository must account for the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also 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 Securityholders or using funds provided by the Securityholders for this purpose. Under the *risparmio amministrato* regime, any possible capital loss resulting from a sale or redemption or certain other transfer of the Securities may be deducted from capital gains subsequently realized, within the same securities management, in the same tax year or in the following tax years up to the fourth. The Securityholders are not required to declare the capital gains in the annual tax return.

iii. Under the "*regime del risparmio gestito*" - “asset management option”, any capital gains realised by Italian resident Securityholders under (a) to (c) above who have entrusted the management of their financial assets (including the Securities) to an authorised intermediary, 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. Any depreciation of the managed assets accrued at the year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. The Securityholders are not required to declare the capital gains realised in the annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Securities realised upon sale, transfer or redemption by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Securities are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by the Italian law, as amended and supplemented from time to time.

b. Companies, commercial partnerships and permanent establishments in Italy of non-Italian resident companies

Any capital gains realised by Italian resident companies, similar commercial entities or permanent establishments in Italy of non-Italian resident companies to which the Securities are connected, will be included in their business income for IRES purposes (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

c. Investment funds, SICAVs and SICAFs

Capital gains realised on the Securities held by Funds, SICAVs or SICAFs are not subject to such substitute tax but are included in the management result of the Fund, SICAV or SICAF. The Fund, SICAV or SICAF will not be subject to taxation on such results, but a withholding tax of 26 per cent. may apply on income of the Fund, SICAV or SICAF derived by Securityholders through distribution and/or redemption or disposal of the Securities.

d. Real estate funds and SICAFs

Capital gains on the Securities held by Italian real estate funds to which the provisions of Law Decree No. 1 of 25 September 2001, as subsequently amended, apply, or real estate SICAFs is not subject to any substitute tax nor to any other income tax in the hands of the real estate fund or real estate SICAF. The income of the real estate fund or real estate SICAF may be subject to tax, in the hands of the Securityholder, depending on status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the Securities.

e. Pension funds

Capital gains on the Securities held by Italian resident pension funds (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005), are not subject to a 26 per cent. Substitute tax, but will be included in the aggregate income of the pension funds which is subject to a substitute tax at the rate of 20 per cent. 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 Securities). Subject to certain limitations and requirements (including a minimum holding period), capital gains realised in respect to the Securities may be excluded from the taxable base of the 20 per cent. Substitute tax, if the Securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by the Italian law, as amended and supplemented from time to time.

Non-Italian resident Securityholders

Capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected through the sale for consideration or redemption of Securities are exempt from taxation in Italy to the extent that the Securities are traded on a regulated market in Italy or abroad and in certain cases subject to prompt filing of required documentation (in particular, a self-declaration of non-residence in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with whom the Securities are deposited, even if the Securities are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the Securities are not listed on a regulated market in Italy or abroad:

(e) Pursuant to the provisions of Decree No. 461 non-Italian resident beneficial owners of the Securities with no permanent establishment in Italy to which the Securities are effectively connected are exempt from the substitute tax in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Securities if they are resident, for tax purposes, in a State or territory included in the White List. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected elect for the asset management regime pursuant to Article 7 of Decree No. 461, or are subject to the administered savings regime ("*regime del risparmio amministrato*") regime pursuant to Article 6 of Decree No. 461, exemption from Italian capital gains tax will apply upon condition that they file in time with the authorised financial intermediary an appropriate self-declaration stating that they meet the requirement indicated above. The same exemption applies where the beneficial owners of the Securities are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors, whether or not subject to tax, established in countries included in the White List; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; and

(f) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Securities are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of Securities are to be taxed only in the country of tax residence of the recipient, will not be subject to substitute tax in Italy on any capital gains realised upon sale for consideration or redemption of Securities. Under these circumstances, if non Italian residents without a permanent establishment in Italy to which the

Securities are effectively connected elect for the asset management regime or are subject to the administered savings regime, exemption from Italian capital gains tax will apply upon condition that they promptly file with the Italian authorised financial intermediary a self-statement attesting that all the requirements for the application of the relevant double taxation treaty are met.

Transfer Tax

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at a rate of €200; and (ii) private deeds (*scritture private non autenticate*) are subject to registration tax only in "case of use" (*caso d'uso*) or in the case of "explicit reference" (*enunciazione*) or "voluntary registration" (*registrazione volontaria*).

Inheritance and Gift Tax

Pursuant to Legislative Decree No. 346 of 31 October 1990, as amended and supplemented from time to time, and Law Decree No. 262 of 3 October 2006, converted with amendments by Law No. 286 of 24 November 2006, the transfer of any valuable assets (including the Securities) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

(g) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding euro 1,000,000 (per beneficiary);

(h) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding euro 100,000 (per beneficiary);

(i) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree;

(j) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding euro 1,500,000.

Moreover, an anti-avoidance rule is provided by Law No. 383 of 18 October 2001 for any gift of assets (such as the Securities) which, if sold for consideration, would give rise to capital gains subject to the substitute tax (*imposta sostitutiva*) provided for by Decree No. 461 of 21 November 1997. In particular, if the donee sells the Securities for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

The mortis causa transfer of financial instruments (such as the Securities) included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth by the Italian law, as amended and supplemented from time to time, are exempt from inheritance taxes.

Stamp duty

According to Article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any Securities which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed euro 14,000 for taxpayers which are not 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 Securities.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable on a pro-rata basis.

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) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth tax on financial assets deposited abroad

According to Article 19 of Decree No. 201/2011, Italian resident individuals and, starting from fiscal year 2020, non-commercial entities, non-commercial partnerships and similar institutions, holding financial assets — including the Securities — outside of the Italian territory are required to pay a wealth tax at the rate of 0.2 per cent. Starting from January 1, 2024, the wealth tax applies at a rate of 0.4 per cent. if the Securities are held in a country listed in the Italian Ministerial Decree dated 4 May 1999, pursuant to the provisions of Law No. 213/2023.

Starting from fiscal year 2020, the wealth tax cannot exceed euro14,000 for taxpayers which are not individuals. This tax is calculated on the market value at the end of the relevant year or — if no market value figure is available — on the nominal value or redemption value, or in the case the nominal or redemption values cannot be determined, on the purchase value of any financial asset (including the Securities) held outside of the Italian territory.

Tax monitoring obligations

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended by Law No. 97 of 6 August 2013 and subsequently amended by Law No. 50 of 28 March 2014, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree 917) resident in Italy who hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to Securities deposited for management with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Securities have been subject to tax by the same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a euro 15,000 threshold throughout the year.

Foreign Account Tax Compliance Act (FATCA)

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 Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, 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 Securities, such withholding would potentially apply to payments in respect of any Securities characterised as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued after the **grandfathering date**, which is the date on which final U.S. Treasury regulations defining foreign passthru payments are filed with the U.S. Federal Register or which are materially modified after the grandafthering date. However, if additional Securities that are not distinguishable from previously issued Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities 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 Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the FATCA withholding.

SUBSCRIPTION AND SALE

BNP PARIBAS, Goldman Sachs International, J.P. Morgan SE and UniCredit Bank GmbH (together the **Structuring Agents and Global Coordinators**) and Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., BofA Securities Europe SA, Citigroup Global Markets Europe AG, Crédit Agricole Corporate and Investment Bank, Intesa Sanpaolo S.p.A., Mediobanca – Banca di Credito Finanziario S.p.A., Morgan Stanley & Co. International plc and Société Générale (together with the Structuring Agents and Global Coordinators, the **Joint Lead Managers**) have, pursuant to a subscription agreement dated 7 June 2024 (the **Subscription Agreement**), jointly and severally agreed to subscribe for the Securities at the issue price of 99.460 per cent. of the principal amount of the Securities, less certain commissions. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Securities. The Subscription Agreement provides that the obligations of the Joint Lead Managers to subscribe for the Securities may be subject to certain conditions precedent. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

General

Each Joint Lead Manager has agreed 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 the Securities or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Securities 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 Joint Lead Managers shall have any responsibility therefor.

None of the Issuer and the Joint Lead Managers represents that the Securities 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.

United States

The Securities 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 to, or for the account or benefit of, U.S. persons 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.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Joint Lead Manager has represented and agreed that it will not offer, sell or deliver the Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Securities 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 Joint Lead Manager has further agreed that it will send to each dealer to which it sells any Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities 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, an offer or sale of Securities 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, registration requirements of the Securities Act.

Prohibition of sales to EEA retail investors

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the European Economic Area. 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 (11) of Article 4(1) of MiFID II; or

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

(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 Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

Republic of Italy

The offering of the Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Italian laws and regulations; or

(b) in any 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 the applicable Italian laws and regulations.

Any offer, sale or delivery of the Securities or distribution of copies of the Prospectus or any other document relating to the Securities in the Republic of Italy under (a) or (b) above must:

(i) 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 any other applicable laws and regulations; and

(ii) 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.

Prohibition of sales to UK retail investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the United Kingdom. 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 United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA;

(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 Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

(a) 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 Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Japan

The Securities 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 Joint Lead Manager has represented and agreed that it will not offer or sell any Securities, 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.

Belgium

Each Joint Lead Manager has represented and agreed that an offering of Securities may not be advertised to any individual in Belgium qualifying as a consumer (*consument/consommateur*) within the meaning of Article I.1 of the Belgian Code of Economic Law (*wetboek van economisch recht/code de droit économique*), as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Securities, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Securities, directly or indirectly, to any Belgian Consumer.

Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities 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 Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, 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.

GENERAL INFORMATION

Authorisation

The issue of the Securities was duly authorised by a resolution of the Board of Directors of the Issuer dated 14 May 2024 and by a determination (*determina*) of the Chairman of the Board of Directors of the Issuer dated 4 June 2024.

Listing, Admission to Trading and Approval

Application has been made to the CSSF to approve the Prospectus as a prospectus under the Prospectus Regulation. Application has also been made to the Luxembourg Stock Exchange for the Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

Expenses Related to Admission to Trading

The total expenses in relation to the admission to trading are estimated by the Issuer to be €16,200.

Clearing Systems

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for the Securities is XS2830327446 and the Common Code is 283032744.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.

No Significant Change and No Material Adverse Change

There has been no significant change in the financial performance or position of the Group since 31 December 2023 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2023.

Legal and Arbitration Proceedings

Save as disclosed in the section "*Description of the Issuer – Legal proceedings*" in the Base Prospectus, neither the Issuer nor any other member of the 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 Group.

Independent Auditors

On 11 June 2015, the A2A shareholders' meeting approved the appointment of EY S.p.A. (**EY**) to act as the Issuer's independent auditors for the 2016-2024 period.

EY with registered office in Milan, Via Meravigli 12, Italy, is registered under No. 70945 in the Register of Accountancy Auditors (*Registro dei Revisori Legali*) held by the Italian Ministry of Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and is a member of the Italian Association of Auditors (**ASSIREVI**). EY's current appointment will expire on the date of the shareholders' meeting convened to approve A2A's financial statements for the financial year ending 31 December 2024. EY have audited the Issuer's consolidated financial statements prepared in accordance with international financial reporting standards as adopted by the European Union for the financial year ended 31 December 2022 and the financial year ended 31 December 2023.

U.S. tax

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

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available for inspection on the Issuer's website (https://www.a2a.eu/en/investors/debt):

(i) the by-laws (*statuto*) of the Issuer (with an English translation thereof);

(ii) a copy of the Base Prospectus;

(iii) the documents incorporated by reference into this Prospectus;

(iv) the Sustainable Finance Framework, at https://content.gruppoa2a.it/sites/default/files/2022-06/A2A-Sustainable-Finance-Framework-02-2022.pdf;

(v) the Second-party Opinion, at https://content.gruppoa2a.it/sites/default/files/2022-06/second-party-opinion-update-Vigeo-Eiris-02-2022.PDF;

(vi) a copy of this Prospectus; and

(vii) the Agency Agreement.

This Prospectus and each document incorporated by reference herein shall remain publicly available on the website of the Issuer at https://www.gruppoa2a.it/en/investors/debt for at least 10 years after its publication. In addition, copies of this Prospectus and each document incorporated by reference herein are available on the Luxembourg Stock Exchange's website at www.luxse.com.

Joint Lead Managers transacting with the Issuer

Certain of the Joint Lead Managers and/or their affiliates (including parent companies) have engaged, and may in the future engage, in lending, in investment banking and/or commercial banking transactions with, and may perform services to, the Issuer and/or its affiliates in the ordinary course of business. Certain of the Joint Lead Managers and/or their affiliates (including parent companies) may have positions, deal or make markets in the Securities, 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. In addition, in the ordinary course of their business activities, the Joint Lead Managers and/or their affiliates (including parent companies) 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 and/or the Issuer's affiliates. Certain of the Joint Lead Managers and/or their affiliates (including parent companies) 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 Joint Lead Managers and/or their affiliates (including parent companies) 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 Securities. Any such short positions could adversely affect future trading prices of the Securities. The Joint Lead Managers and/or their affiliates (including parent companies) 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.

Yield

The yield on the Securities from (and including) the Issue Date to (but excluding) the First Reset Date will be 5.125 per cent. per annum. The Yield is calculated at the Issue Date on the basis of the issue price. It is not an indication of future yield.

Website

The website of A2A is http://www.a2a.eu. The information on http://www.a2a.eu does not form part of this Prospectus, except where that information has been incorporated by reference in this Prospectus.

Any information contained in any other website specified in this Prospectus does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

Ratings

Moody’s defines “Ba1” as follows: Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

S&P defines “BB” as follows: An obligation rated “BB” is less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions.

The brief explanations on the ratings expected to be assigned by Moody’s and S&P have been extracted from http://www.moodys.com and www.spratings.com. The Issuer does not take responsibility for these explanations. The information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by Moody’s and S&P (as applicable), no facts have been omitted which would render the reproduced information inaccurate or misleading.

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To the Joint Lead Managers as to English and Italian law

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