

BASE PROSPECTUS

POSTE ITALIANE S.p.A.

(incorporated with limited liability in the Republic of Italy)

€2,500,000,000

Euro Medium Term Note Programme

Under this €2,500,000,000 Euro Medium Term Note Programme (the **Programme**), Poste Italiane S.p.A. (the **Issuer, Poste Italiane** or the **Parent Company**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €2,500,000,000 (or its equivalent in other currencies) but may be increased from time to time.

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

An investment in Notes issued under the Programme involves risks. See “Risk Factors”.

This Base Prospectus has been approved as a base 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 Base 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 Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme 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 Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The Luxembourg Stock Exchange’s regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU), as amended.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date (i.e. up to 16 December 2023) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the **EEA**). The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Official List of the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and the Issuer (www.posteitaliane.it / <https://www.posteitaliane.it/en/debt-rating.html>).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and are subject to U.S. tax law requirements. The Notes 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.

Both the Issuer and the Programme have been rated Baa3 by Moody’s Italia S.r.l. (**Moody’s**) and BBB by S&P Global Ratings Europe Limited (**S&P**). Obligations rated Baa by Moody’s are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. The modifier 3 indicates a ranking in the lower end of that generic rating category. A BBB

rating by S&P indicates adequate capacity to meet financial commitments, but more subject to adverse economic conditions. Moody's and S&P are established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) and, as such, are included in the list of credit ratings agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. 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.

Amounts payable under the Floating Rate Notes will be calculated by reference to the Euro Interbank Offered Rate (**EURIBOR**) or CMS Rate, as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) is included in the register of administrators maintained by ESMA under Article 36 of the Regulation (EU) No. 2016/1011, as amended (the **EU Benchmarks Regulation**), whereas ICE Benchmark Administration Limited (as administrator of CMS Rate) is not included in that register.

JOINT ARRANGERS

Deutsche Bank

IMI - Intesa Sanpaolo

DEALERS

Barclays

BofA Securities

BNP PARIBAS

Citigroup

Crédit Agricole CIB

Credit Suisse

Deutsche Bank

Goldman Sachs International

HSBC

ING

IMI - Intesa Sanpaolo

J.P. Morgan

Mediobanca

Morgan Stanley

MUFG

Natixis

NatWest Markets

Nomura

**Santander Corporate &
Investment Banking**

**Société Générale
Corporate & Investment Banking**

UBS Investment Bank

UniCredit

The date of this Base Prospectus is 16 December 2022.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation.

This Base Prospectus is to be construed together with any supplements hereto and with any documents incorporated in it by reference (see “*Documents Incorporated by Reference*”) and should be read and construed on the basis that those documents are incorporated by reference in, and form part of, this Base Prospectus.

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

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any of the Dealers.

No representation or warranty is made or implied by the Dealers, the Principal Paying Agent or the Paying Agents, or any of their respective affiliates (including parent companies), and neither the Dealers, the Principal Paying Agent or the Paying Agents, nor any of their respective affiliates (including parent companies), makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or any act or omission of the Issuer or any other person in connection with the issue and offering of the Notes.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise), business, results of operations or prospects of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has most recently been amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes issued under the Programme of any information coming to their attention.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (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 of the Dealers or any of their respective affiliates (including parent companies) that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each recipient of this Base Prospectus or any Final Terms contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and shall be taken to have done so. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers or any of their respective affiliates (including parent companies) to any person to subscribe for or to purchase any Notes.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of 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 point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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 EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (**FSMA**) and any rules or regulations made under the FSMA to implement 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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. 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 (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The Final Terms in respect of any Notes will include a legend entitled “MiFID II product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes may be a manufacturer in respect of such Notes, but otherwise neither the Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET

The Final Terms in respect of any Notes will include a legend entitled “UK MiFIR product governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes may be a manufacturer in respect of such Notes, but otherwise neither the Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

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

Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

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

Any offer of Notes in any Member State of the EEA must be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the audited consolidated annual financial statements of the Issuer as at and for the years ended 31 December 2020 and 2021, the unaudited consolidated interim financial statements of the Issuer as at and for the six months ended 30 June 2022 and the unaudited condensed consolidated interim financial information of the Issuer as at and for the nine months ended 30 September 2022.

The Issuer’s financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Issuer’s consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and adopted by the European Union under Regulation (EC) No. 1606/2002 of 19 July 2002, and in accordance with Legislative Decree No. 38 of 20 February 2005, which introduced regulations governing the adoption of IFRS in Italian law.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in “*Terms and Conditions of the Notes*” or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

In this Base Prospectus, all references to:

- **U.S. dollars, U.S.\$** and **\$** refer to United States dollars; and
- **Euro, EUR, 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.
- References to a **billion** are to a thousand million.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in 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.

In this Base Prospectus, 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.

SUITABILITY OF INVESTMENT

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

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

MINIMUM DENOMINATION OF NOTES

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination (such as Euro 100,000) (the **Minimum Denomination**) plus one or more higher integral multiples of another smaller amount (such as Euro 1,000), it is possible that such Notes 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 their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the Minimum 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 their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the Minimum Denomination.

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

CONTENTS

Clause	Page
Overview of the Programme.....	9
Risk Factors.....	14
Responsibility Statement	31
Documents Incorporated by Reference.....	32
Form of the Notes.....	37
Form of Final Terms	39
Terms and Conditions of the Notes.....	53
Use of Proceeds.....	89
Description of the Issuer.....	90
Taxation.....	147
Subscription and Sale.....	157
General Information.....	163

STABILISATION

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

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

*This overview constitutes a general description of the Programme for the purposes of Article 25(1)(b) of Commission Delegated Regulation (EU) No 2019/980, as amended (the **Delegated Regulation**).*

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” have the same meanings in this overview.

Issuer:	Poste Italiane S.p.A.
Issuer Legal Entity Identifier (LEI):	815600354DEDBD0BA991
Risk Factors:	There are certain risks that are specific to the Issuer and its ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “ <i>Risk Factors</i> ”.
Description:	Euro Medium Term Note Programme
Joint Arrangers:	Deutsche Bank Aktiengesellschaft and Intesa Sanpaolo S.p.A.
Dealers:	Banco Santander, S.A. Barclays Bank Ireland PLC BNP Paribas BofA Securities Europe SA Citigroup Global Markets Europe AG Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Credit Suisse Bank (Europe), S.A. Deutsche Bank Aktiengesellschaft Goldman Sachs International HSBC Continental Europe ING Bank N.V. Intesa Sanpaolo S.p.A. J.P. Morgan SE Mediobanca – Banca di Credito Finanziario S.p.A. Morgan Stanley & Co. International plc MUFG Securities (Europe) N.V. Natixis NatWest Markets N.V. NatWest Markets Plc Nomura International plc Société Générale UBS Europe SE UniCredit Bank AG

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions:	<p>Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “<i>Subscription and Sale</i>”).</p> <p>Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (FSMA) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “<i>Subscription and Sale</i>”.</p>
Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch
Programme Size:	Up to Euro 2,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes are issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in “ <i>Form of the Notes</i> ”.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <p>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. (ISDA), and as amended and</p>

updated as at the Issue Date of the first Tranche of the Notes of the relevant Series), or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as at the Issue Date of the first Tranche of the Notes of the relevant Series) as specified in the applicable Final Terms; or

- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons pursuant to Condition 6.2 (*Redemption for tax reasons*)) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions*" above.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note will be Euro 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 7 (*Taxation*), unless such withholding or deduction is required by law. In the event that any such deduction is made, the Issuer will, subject to certain exceptions set out in Condition 7 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:	The terms of the Notes will contain a negative pledge as set out in Condition 3.1 (<i>Negative Pledge</i>).
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 9 (<i>Events of Default</i>).
Status of the Notes:	The Notes will constitute direct, unconditional and (subject to the provisions of Condition 3.1 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer (<i>obbligazioni</i>) which will at all times rank <i>pari passu</i> among themselves and (save for such obligations as may be preferred by provisions of law that are both mandatory and of general application) at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.
Rating:	<p>The Programme has been rated Baa3 by Moody's and BBB by S&P. Both Moody's and S&P are established in the European Union and registered under the CRA Regulation. As such each of Moody's and S&P is included in the list of credit ratings agencies published by the European Securities and Markets Authority in accordance with the CRA Regulation on its website at the following address:</p> <p>https://www.esma.europa.eu/supervision/credit-rating-agencies/risk</p> <p>Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the ratings assigned to the Programme. 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.</p>
Listing, Approval and Admission to Trading:	<p>Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme 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.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges, markets or quotation systems agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges, quotation systems and/or markets.</p>
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law, save for Condition 15 (<i>Meetings of Noteholders and Modification</i>) which is subject to compliance with the laws of the Republic of Italy.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom, France, the Republic of Italy, Belgium, Singapore, Switzerland and Japan, and such other restrictions

as may be required in connection with the offering and sale of a particular Tranche of Notes, see “*Subscription and Sale*”.

United States Selling
Restrictions:

Regulation S, Category 2. TEFRA C or D or TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

In purchasing the Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. The Issuer has identified below the factors which could materially adversely affect its business and ability to make payments due under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the matters described below represent the principal risks inherent in investing in Notes issued under the Programme but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes 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. In addition, the order in which the risk factors are presented below is not intended to be indicative of the relative likelihood that each risk will materialise or of the magnitude of its potential impact on the business, financial condition or results of operations of the Issuer.

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

Words and expressions defined in "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this section.

MATERIAL RISKS THAT ARE SPECIFIC TO THE ISSUER

The material risks that are specific to the Issuer have been classified under the following categories:

1. Risks relating to the structure of the Issuer and the Group;
2. Industry and business-related risks;
3. Financial risks;
4. Insurance services risks; and
5. Regulatory and legal risks.

1. Risks relating to the structure of the Issuer and the Group

No security interest has been created by the Issuer to secure the claims of Noteholders under the Notes, nor will any guarantee be issued by the Italian Ministry of Economy and Finance (the MEF, Ministero dell'Economia e delle Finanze) or Cassa Depositi e Prestiti S.p.A. (**Cassa Depositi e Prestiti** or **CDP**), in their capacity as shareholders of the Issuer in favour of Noteholders. Consequently, the Issuer will meet its payment obligations under the Notes primarily through the results of its business activities.

The financial condition and results of operation of Poste Italiane materially depend, in addition to its cash flow, on the inflow of sufficient funds from BancoPosta RFC and from Poste Italiane's subsidiaries (such as Poste Vita), in the form of distributable profits, dividends or fees and commissions from the provision of services such as the utilisation of the Issuer's distribution channels. However, the Issuer's assets and legal relationship relating to BancoPosta RFC are designated exclusively to a pool of assets segregated in all respects from the residual assets of the Issuer. As a consequence, in the event of any liquidation or winding-up of the Issuer, any cash realised from the sale of BancoPosta RFC's assets would be used to pay BancoPosta RFC's creditors before any payments could be made to the Issuer's other creditors, including Noteholders. See "*Description of the Issuer – Creation of BancoPosta ring-fenced capital*".

The same principles would apply to the Issuer's subsidiaries and, in any liquidation or winding-up, creditors of a subsidiary, including its trade creditors and lenders, would be entitled to the assets of that subsidiary before

any of those assets could be distributed to its shareholder (i.e. Poste Italiane or its liquidator). As a result, to the extent that it is necessary to satisfy the Issuer's obligations in respect of the Notes by realising the assets of BancoPosta RFC or of the Issuer's direct and indirect subsidiaries, those obligations will effectively be subordinated to the prior payment of all the debts and other liabilities of BancoPosta RFC and of the Issuer's direct and indirect subsidiaries, including the rights of trade and financial creditors, as well as contingent liabilities, all of which could be substantial.

2. Industry and business-related risks

Macroeconomic conditions and risks relating to rising inflation within the Eurozone

Global economic cycles can affect the Group's activities due to their effects on GDP growth rates. In the near future, the stability of the Eurozone might be adversely impacted by a number of events, including those related to Covid-19, and the European Central Bank's (the **ECB**) assessment of the inflation and growth data from December 2021 onwards. This data indicated upwards inflationary pressure and the related threats to the recovery of GDP growth in the Eurozone that had been gathering pace following the peaking of the Covid-19 pandemic in Europe, supported by the response measures adopted by the European Union and the EU Member States.

The Eurozone Harmonized Index of Consumer Prices has continued to rise, driven by a range of factors, including continued upward pressure on the energy inflation rate due to higher crude oil prices, compounded by the outbreak of hostilities in Ukraine following the invasion by Russia, which is affecting gas prices and may result in shortages in gas supply (see "*Risks associated with the Russian invasion of Ukraine*" below).

In July 2022, given the growing geopolitical risks due to the conflict between Russia and Ukraine, combined with persistent high inflationary pressures, mainly because of surging energy and food prices, the ECB raised the key ECB rates by 50 basis points. In September 2022, the ECB raised the three key ECB interest rates by further 75 basis points. Based on its assessment, over the next several meetings, the ECB expects to raise interest rates further to dampen demand and guard against the risk of a persistent upward shift in inflation expectations. Moreover, the ECB announced the end of net asset purchases under its "asset purchase programme" (APP) on 1 July 2022. Yet, it explained that the Governing Council "intends to continue reinvesting, in full, the principal payments from maturing securities purchased under the APP for an extended period of time past the date when it starts raising the key ECB interest rates and, in any case, for as long as necessary to maintain ample liquidity conditions and an appropriate monetary policy stance". Finally, the ECB's staff projections have been revised upwards from the March projections foreseeing annual inflation at 6.8% in 2022, before declining to 3.5% in 2023 and 2.1% in 2024.

In addition to monetary stimulus, on 21 July 2020, the governments of the EU Member States of the European Union agreed upon the establishment of a Recovery Fund of €750 billion, including €390 billion in grants and €360 billion in loans, to be disbursed over the 2021-2024 period, as part of the 2021-2027 EU budget. However, despite this stimulus, any potential draining of liquidity may adversely impact growth in Eurozone countries, including Italy, with potential negative impacts on the Group's business and results of operations.

There can be no assurance that the economy in Europe will not worsen, nor can there be any assurance that current or future assistance packages or measures granted to certain Eurozone countries will be available or, even if provided, will be sufficient to stabilize the affected countries and markets and secure the position of the Euro. Poste Italiane is dependent on the economic environment and cyclical trends, especially in the domestic economy – Italy being the country in which the Group operates almost exclusively – and is adversely affected by any economic downturn, market crisis or period of instability. In particular, economic downturn and prolonged instability may result in a stagnation or decrease in demand for most of the different businesses in which Poste Italiane and its Group operate, adversely affecting the services of Poste Italiane. This in turn may give rise to a decrease in volumes, prices and profitability levels, which may have an adverse effect on the financial condition and results of operations of Poste Italiane.

All these factors may have an adverse impact on the business operations of Poste Italiane and its Group, its funding and liquidity as well as the market value of its assets.

Risks associated with the Russian invasion of Ukraine

The protraction of Russia's military aggression of Ukraine, commenced in February 2022, has made the outlook for the remainder of 2022 and the medium term all the more uncertain and unpredictable. Those developments could trigger a slowdown in the macroeconomic cycle, a stagnation or, under the worst possible outcome, a global recession.

A weak economy and prolonged instability generally may result in a decline in the demand for mail and logistics services. Poste Italiane is dependent on the economic environment, sector-specific conditions in the logistics and transport industry and cyclical trends in the world economy and may be adversely affected by any downturn in regional or worldwide economies, market crises as well as prolonged periods of instability. The war in Ukraine beginning in late February, the subsequent sanctions against Russia and Russian interests and national export controls by a number of countries, including the European Union, have led to shortages of commodities and intermediate products and are impeding industrial production and dampening global growth in net terms as well. There is a strong correlation between economic development and trade flows and, consequently, economic downturns and phases of prolonged instability often coincide with a decline in trade volumes and therefore transportation quantities. A weak economy and prolonged instability, in particular in Italy, may generally result in a stagnation of, or decline in, the demand for mail and logistics services, which could adversely affect Poste Italiane's business.

National export controls and sanctions regimes can also have a significant impact on the local or regional operations and services of Poste Italiane, either due to disruptions in the international logistics network or new restrictions on transactions or activities in connection with certain goods, countries or denied parties. The dynamically changing legal environment in conjunction with the war in Ukraine is a prominent example. As at the date of this Base Prospectus, it is not possible to predict the broader consequences of the invasion, which could include further sanctions, export controls and embargoes, greater regional instability, geopolitical shifts and other adverse effects on macroeconomic conditions, currency exchange rates, supply chains and financial markets, all of which could, either directly or indirectly, have an adverse impact on the Issuer's business, financial condition and results of operations.

Intense competition in the sectors in which Poste Italiane operates

The Issuer's competitors in the mail sector are mainly focused on high-value urban areas and customers, characterised by lower operational costs and higher profitability. As a result, some of these operators have consolidated their presence, mainly through price competition, gaining market shares. This pressure on prices is not in line with the Universal Postal Service mission, which involves the provision of services also to less profitable areas and guaranteeing a high standard of service all over the country. For a description of the Universal Postal Service, see "*Description of the Issuer – Business of the Group – 1. Mail, Parcels and Distribution*" and "*Description of the Issuer – Regulatory Framework*". Intensifying competition, coupled with the restrictions on the Issuer's ability to choose where and how to carry out its operations, could result in declining margins for the Issuer and adversely affect its financial results.

In addition, the increasing use of electronic forms of communication has resulted in a shrinkage of the Italian and international physical mail market. Indeed, the way in which Poste Italiane's customers communicate and the extent to which electronic media continue to replace physical mail influences demand for mail services in Italy and abroad (for further details, see "*Description of the Issuer – Business of the Group – 1. Mail, Parcels and Distribution*"). A continuing decline in demand may have a material adverse effect on the Issuer's financial results.

With specific reference to the parcels sector, the competitive pressure mainly derives from international and consolidated operators with higher investment capacity than the Issuer. The Italian and European markets are undergoing a consolidation phase that might further increase this competitive pressure. The parcels market is moving increasingly more towards sophisticated value-added services, such as tracking, flexibility of destination, planned time of delivery, etc. Such services are now enablers for segmentation and higher prices.

In addition, the consolidation of individual e-commerce purchases in larger units can result in lower volumes, increased competition due to the shift of these items into other market segments and thus lower profitability for Poste Italiane. If the resulting decline in demand for physical mail products cannot be compensated by the successful introduction of innovative new products, e.g. electronic communications, generating new business and providing innovative logistic solutions in line with customers' demand, or making prices and costs of transport and delivery services more flexible, Poste Italiane's revenues, results of operations and/or financial condition could be adversely affected. If the Issuer is not able to respond to such competitive pressure with the offer of products and value-added services that satisfy its clients, it might lose its market share and/or price willingness from the market, which would consequently have a negative impact on its financial results.

In the financial sector, the Issuer's BancoPosta RFC activities - notwithstanding the differences from those activities normally carried out by banks - are exposed to the typical competitive risks of the banking sector, especially considering the Italian market and its current consolidation process. If the Issuer is not able to respond to the competitive pressure in the banking sector, it might lose clients, which would consequently have a negative impact on its financial results.

Moreover, the implementation of Directive 2015/2366/EU, the EU directive on payment services in the internal market (**PSD2**), lowered the entry barriers for third-party providers and financial technology companies and enabled new business models and a wide range of new payment services. In this respect, PostePay operates as an electronic money institution (**EMI**) through ring-fenced capital related to e-payments and payment services (for further details, see "*Description of the Issuer – Regulatory Framework – Payments and Mobile*").

As such, if PostePay, acting as an EMI, is not able to rapidly develop new e-money and payment services and respond to competitive pressure, it might lose clients, which would consequently have a negative impact on its financial results and, indirectly, on the Group's financial results. In particular, the Group may lose its market – especially the market for payment services linked to current accounts – as a consequence of the launch of new forms of payment.

In the insurance sector, the Group is exposed to the typical risks deriving from competitive pressure in the Italian insurance market, mainly characterised by the creation of joint ventures between banks and insurance companies aimed at offering to clients joint banking and insurance products and services, leveraging on their respective distribution channels. If the Issuer is not able to respond to the competitive pressure with the offer of products and services that satisfy its clients, it might lose its market share, which would consequently have a negative impact on its financial results.

Uncertainties in the Universal Postal Service activity

Risk related to the compensation to be paid to the Issuer for the provision of the Universal Postal Service

There is a risk linked to the calculation of the compensation to be paid by the Italian State to the Issuer for the provision of the Universal Postal Service.

With Resolution 199/21 CONS of 17 June 2021, AGCom completed its assessment of the net cost for the years 2017, 2018 and 2019 and established that the net cost incurred by Poste Italiane was Euro 354.5 million for 2017, Euro 334.5 million for 2018 and Euro 175 million for 2019. The authority determined that the net costs incurred by Poste Italiane were unfair; however, as of the date of this Base Prospectus the compensation fund has not yet been established. On 30 September 2022, Poste Italiane lodged an appeal against this resolution and the dispute is pending. There is a risk that the methodology applied by AGCom could lead in future to a net cost of the Universal Postal Service estimated by AGCom to be lower than the amounts agreed between the Issuer and the State (see "*Description of the Issuer – Regulatory Framework – Mail, Parcels and Distribution – recent history and current framework*"). This could, over time, have a negative effect on the Issuer's margins and financial results. Moreover, considering that the current mandate from the MED for the provision of the Universal Postal Service by Poste Italiane will expire in 2026, there is uncertainty regarding the subsequent applicable framework.

Law Decree 244/2016 (the so-called “*Mille Proroghe*” decree), converted with amendments into Law 19 of 27 February 2017, has restored the reduced tariffs regime applicable to publishers and non-profit organisations with tariff compensation borne by the State. The reduced tariffs regime establishes an *ex-post* compensation system from the State to Poste Italiane.

The duration of the compensation system is currently around six years (until 2026) and the maximum total amount of compensation amounts to Euro 57.5 million for 2017, Euro 59.3 million for 2018, Euro 54.9 million for 2019, Euro 53.1 million for 2020, Euro 53.2 million for 2021, Euro 52.5 million for 2022, Euro 52.5 million for 2023 and Euro 52.5 million for 2024. The compensation amounts accrued by Poste Italiane were approximately equal to Euro 42 million in 2017 (due to limited volumes effectively registered in the same year), and were entirely covered by the compensation paid. Thanks to an increase in the tariffs set by AGCom, the compensation amounted to Euro 62 million in 2018, Euro 59 million in 2019, Euro 53 million in 2020 and Euro 53 million in 2021. For the subsequent years (and until 2026) there is the risk that the State Budget will be lower than the compensation to be paid to Poste Italiane. The current mandate from the MED for the provision of the Universal Postal Service by Poste Italiane will expire in 2026 and, as at the date of this Base Prospectus, it is uncertain whether (i) such mandate for the provision of the Universal Postal Service will be renewed, and (ii) the reduced tariffs regime for publishers will still be in place.

Risk related to the new regime for access to the universal postal network

Regarding the right to direct access to the universal postal network, on 18 October 2017, AGCom published resolution 384/17/CONS containing “Changes to the provisions governing access to Poste Italiane’s postal network and infrastructure” (the former rules being stated in resolution 728/13/Cons), establishing a new regime for access to the universal postal network based, inter alia, on the definition of a test of the replicability of Poste Italiane’s offerings regarding multi-item deliveries to large private customers or in relation to public tenders. AGCom is currently carrying out the sub-proceedings to determine the definition of this mechanism. Poste Italiane shall comply with the relevant mechanism in offering business mail products. There is a risk that final resolution by AGCom may hamper the commercial flexibility of the Issuer in the context of public and private tenders.

On 18 December 2017, three appeals were lodged before the Lazio Regional Administrative Court, respectively, by different operators, specifically the Fulmine Group S.r.l. (AREL - Delivery Licensees Agency consortium company), Nexive S.p.A. (**Nexive**) and Assopostale/GPS/MailExpress/CityPost. In these appeals each operator requested the cancellation of the resolution, with prior injunctive relief, in those parts where it: (i) determines the amount of coverage by alternative networks; (ii) redefines the access points and the related obligations for Poste Italiane; (iii) provides for the replicability test tool; and (iv) does not regulate the obligations regarding access to infrastructure. The appeal is pending. At a hearing on 7 February 2018, injunctive relief was not granted and a hearing on the merits of the case has not yet been scheduled. By means of AGCom resolution 171/22/CONS, issued in June 2022, Poste Italiane’s obligations to allow third-party operators to access the universal postal network were made stricter, against those previously provided for by resolution 384/17/CONS. There is a risk that the conditions for access to the Poste Italiane’s network by third-party operators could cause a decrease in revenues for Poste Italiane.

Risk related to the provision of the legal process and notification of violations of the Highway Code postal service

Law 124/2017 removed the exclusive right of Poste Italiane to offer services relating to legal process and notification of violations of the Highway Code (*Codice della Strada*). AGCom issued resolution 77/18/CONS, dated 20 February 2018, setting out the regulations for the issuance of special individual licences to provide postal services relating to legal process and the notification of violations of the Highway Code (*Codice della Strada*), including quality targets. The Ministry of Economic Development (**MED**) adopted the implementing regulations thereof by Decree dated 19 July 2018, published in Official Gazette no. 208 of 7 September 2018. In February 2020, the Ministry of Justice adopted some implementing Guidelines for the professional training of personnel employed in the field of postal notification, thus enabling the effective entry into the market of licensed alternative operators. There is a risk that rules established by AGCom on the issuance of licences will

expose Poste Italiane to an increase in competitive pressure in the market, having a negative impact on revenues in this segment.

Risk related to re-opening of post offices after the Covid-19 pandemic health emergency phase

In order to contain the impacts of the pandemic (securing the post office network and managing the high rate of absenteeism connected with Covid-19), with the aim of guaranteeing the continuous provision of the service, Poste Italiane has adopted extraordinary measures for its network of post offices. During 2020-2021, about 26% of post offices were closed and nearly 21% operated with shorter opening hours than standard. During the course of 2022, Poste Italiane implemented a gradual and progressive return to usual network operations. As of November 2022, 47 post offices remain closed (equal to 0.4% of the network), 993 offices observe a shorter weekly timetable compared to the standard one and 195 post offices have suspended the afternoon shift. On 22 July 2022, AGCom ordered Poste Italiane to re-establish full operation of the pre-pandemic post office network by 22 November 2022, considering the end of the state of emergency as of 31 March 2022. On 22 November 2022, Poste sent a request to AGCom for 30 more days to provide its assessments on the ongoing network reorganisation, given the need to continue managing staff absences due to Covid-19 infections. There is a risk that, following the expiration of the deadline of 22 November 2022, the Authority may initiate a sanctioning procedure against Poste Italiane. Pursuant to Article 21 of Legislative Decree 261/99, the sanction may vary from Euro 5,000 to Euro 150,000 for each breach (Euro 10,000 in the case of voluntary payment with no challenge of the sanction for each post office not having re-established the pre-pandemic schedule). The dispute could be worth more than 10 million euros.

Operational risks

The Group is exposed to several types of operational risks. The Group's systems and processes are designed and structured to ensure that operational risks are appropriately monitored. In particular, the following risks, among others, are closely monitored: (i) IT risk, above all the risk that malfunctions and/or shortcomings in information systems could result in the loss of data integrity, leaks of personal data or breaches of confidentiality, potentially causing disruption to the services provided to customers; (ii) health and safety risk, with specific regard to the risk of workplace injury to employees or contractors as a result of operating activities (e.g. the collection, transport and sorting of parcels and letter post, and the delivery of postal products using motor vehicles); and (iii) physical security risk, relating to access to the headquarters premises of Group companies, to post offices or other private areas by unauthorised or unidentified persons, and the limited protection of Poste Italiane's assets and property against criminal behaviour (robberies, losses resulting from fraud, theft, ATM attacks, vandalism, etc). Operational risk also includes disruption and/or obstacles to entry to the Group's operating facilities (mail sorting centres and delivery centres, etc) due to industrial action or strikes, and also natural disasters such as earthquakes. Any failure or weakness in the Issuer's monitoring system could adversely affect the Group's financial condition and the results of its operations.

Transportation costs form a significant part of Poste Italiane's mail and parcel business cost base. Any increase in costs stemming from commodity price fluctuations, in particular, fluctuating fuel prices, which cannot be passed on to customers via operating measures, could adversely affect Poste Italiane's results of operations and/or financial condition.

Risks related to personnel

The Issuer's activities, especially in the mail sector, require a high number of employees in order to satisfy the requirements for the provision of the Universal Postal Service in terms of geographic areas covered and delivery standards. Following the decline in mail volumes in recent years, the Issuer put in place an incentivised redundancy plan based on low social impact instruments, such as consensual resolutions, in order to maintain an efficient proportion between the operating needs and the workforce employed in the sector. However, if the decline in mail volumes is greater than expected, there is a risk that the significant fixed costs related to employees could reduce the competitiveness of the Issuer, with a consequent impact on its financial results.

For the year ended 31 December 2021, the ratio between the Group's consolidated cost of personnel (Euro 5,467 million) and its total costs (Euro 9,375 million) was around 58%. For the first half of 2022, the ratio between the Group's consolidated cost of personnel (Euro 2,590 million) and its total costs (Euro 4,473 million) was around 58%. Based on internal estimates, a large majority of the Issuer's employees are members of trade unions. Therefore, there is a risk that possible strikes or interruptions in working activity, even though carried out in compliance with the law, could impact the level of services offered to its clients, with a consequent negative effect on the Issuer's image, results of operations and financial results.

3. Financial risks

Risks relating to the holding of sovereign debt securities

The Group, in particular through BancoPosta RFC, Poste Italiane and its subsidiary Poste Vita, held sovereign debt securities amounting to Euro 146.7 billion as at 30 June 2022 (Euro 137.6 billion (in total nominal value) as at 31 December 2021). The sovereign debt securities held by the Issuer are almost entirely issued by the Republic of Italy, and, for a residual part, by other EU Member States. Some of these debt securities are classified as "fair value through other comprehensive income" and are, therefore, recorded at their fair value under the International Financial Reporting Standards (the **IFRS**), as adopted by the EU and implemented by the Bank of Italy's instructions set forth under Resolution No. 262 of 22 December 2005. A possible downgrade of the Italian credit rating, and more generally the increase of tensions in the sovereign debt market, may adversely affect their relevant fair value, and consequently adversely affect Poste Italiane's net worth.

BancoPosta RFC's portfolio exposure generates an interest rate risk which is hedged through the use of derivatives. The main mitigation instruments used are related to fair value hedges and cash flow hedges.

Downgrading of the Issuer's ratings

As at the date of this Base Prospectus, Poste Italiane has the following ratings assigned to it:

- S&P: BBB/Stable; and
- Moody's: Baa3/Negative.

Any significant deterioration or downgrading of those ratings may adversely affect Poste Italiane's access to alternative sources of funding and may increase the cost of funding, all of which could have a material adverse effect on the Issuer's financial condition or results of operations.

In addition, the methodologies used by rating agencies are not limited to an assessment of the financial condition of the Issuer and, in practice, its credit ratings closely reflect those of the Republic of Italy. The Issuer is therefore exposed to the risk of downgrades in the sovereign credit rating of Italy, which have occurred in recent years. In particular, the Republic of Italy's credit rating was downgraded to Baa3 by Moody's in October 2018 and to BBB- by Fitch in April 2020. Further downgrades of Italy's credit rating may have a knock-on effect on the credit rating of Poste Italiane.

See also "*Credit ratings assigned to the Issuer or any Notes may not reflect all risks*" below.

Credit and liquidity risks related to the commercial relationship with Italian governmental bodies

Owing to its business activities, Poste Italiane might accumulate credit exposures to the Italian governmental bodies, although the amounts would be much lower than in the past, for instance, relating (by way of example, based on past experience) to payment of remuneration for the provision of the Universal Postal Service. Therefore, Poste Italiane's financial condition may be adversely affected by any delay in the payment of amounts due to it by the MEF and other Italian governmental bodies. As at 31 December 2021, Poste Italiane Group's amounts outstanding due from central and local authorities amounted to Euro 646 million, gross of provisions for doubtful debts.

Risks related to the transfer of funds within the Group

In 2021, the Mail, Parcel and Distribution Strategic Business Unit had revenues from other business sectors of Euro 4,694 million. Such revenues, almost entirely attributable to the Issuer, were derived mainly from BancoPosta RFC for the utilisation of the Issuer's distribution channel (for further details see "*Description of the Issuer – Business of the Group – 1. Mail, Parcels and Distribution – Revenues in the Mail, Parcels and Distribution segment from other business areas*"). In addition, in 2021 the Issuer received Euro 613 million of dividends from its subsidiaries (of which Euro 429 million from Poste Vita) and Euro 579 million in the form of distributable reserves from BancoPosta RFC.

The financial condition and results of operations of Poste Italiane therefore depend materially on the inflow of sufficient funds from (i) BancoPosta RFC in the form of fees and commissions for the provision of services, such as utilisation of the Issuer's distribution channels, and, to a lesser extent, where approved by the Issuer's shareholders' meeting, in the form of distributable reserves created through the allocation of net profits of BancoPosta RFC; and (ii) its subsidiaries (such as Poste Vita), in the form of dividends or fees and commissions for the provision of services, such as the utilisation of the Issuer's distribution channels. Consequently, any deterioration in the net assets, financial position and results of operations of the Issuer's subsidiaries and/or BancoPosta RFC may significantly reduce the volume of those funds. Similarly, the availability of those funds could be affected by restrictions on the transfer of funds to the Issuer by its subsidiaries and/or BancoPosta RFC (for example, by reason of solvency ratio or capital adequacy requirements).

Risks related to the execution of the Group's strategy

The capacity of the Issuer to optimise its revenues and to improve its position in the markets in which it operates depends, among other things, on successfully achieving its own strategy. The strategy of the Group is based on investments in human capital and in sale channels and on the development of its four principal sectors of activity: (i) mail, parcels and distribution; (ii) payments and mobile; (iii) financial services; and (iv) insurance services, as described in "*Description of the Issuer – Strategy and Business Plan*".

In order to mitigate the execution risks of the Plan, the Group has implemented some initiatives such as the new Group labour contract, a renewed three-year partnership with Amazon in the e-commerce sector, the Universal Service Obligation and a new placement agreement of postal savings bonds and postal savings passbooks with Cassa Depositi e Prestiti. All these initiatives represent a concrete way to successfully deliver the plan.

If the Group was unable to implement its growth strategy successfully, this could have an impact on its business and prospects and, as a result, its financial position and operations might be adversely affected.

Risks related to the financial services activity of BancoPosta RFC

The financial services activities carried out by BancoPosta RFC are regulated by specific legislative provisions (mainly Presidential Decree No. 144 of 14 March 2001 and Law No. 296 of 27 December 2006). Such provisions explicitly exclude BancoPosta RFC from engaging in lending activities to the public. BancoPosta RFC is required to invest all the funds deriving from private customers' deposits into Eurozone sovereign debt securities or – up to a maximum of 50% of the total amount – into securities guaranteed by the Italian State; within the aforementioned limit of 50%, since July 2021 BancoPosta is allowed to invest a maximum of 30% (i.e. 15% of the total amount) in specific tax credits (for further details see "*Description of the Issuer – Business of the Group – 3. Financial Services*"). The funds deriving from public sector entities' deposits must be invested into a deposit with the MEF remunerated at a floating rate of interest that is revised every month on the basis of a basket of market indices (calculated as a weighted average of short-and-long term Italian government bond yields at issuance). BancoPosta RFC's financial services business is exposed to certain risks which may have an impact on its net worth, financial position and results of operations, including (i) operational risks; and (ii) banking book risks related to the above-mentioned debt securities. These risks include market risks, credit risks (issuers' risks), interest rate and liquidity risks due to mismatching between the duration of the securities in respect of the amortization profile of the liabilities, and the volatility of such liabilities. With reference to liquidity risk, from June 2020 BancoPosta RFC may access a three-year committed repo line with CDP up to a maximum of Euro 4.25 billion (unused at 30 June 2022), as an

instrument to mitigate the risk in case of adverse market conditions. In particular, with reference to the interest rate risk, during downward phases in market interest rates, revenues from interest margins of BancoPosta RFC tend to diminish, although there is a corresponding increase in the market price of securities held in the portfolio. By contrast, in upward phases of market interest rates, revenues from interest margins tend to increase, while there is a corresponding decrease in the market price of securities held in the portfolio.

In addition, the placement activities carried out by Bancoposta may lead to reputational risks with particular reference to the performance or the perceived performance of postal savings products and investment products issued by third-party entities (bonds, certificates and real estate funds) or by Group companies (insurance policies issued by the subsidiaries Poste Vita and Poste Assicura and mutual funds managed by BancoPosta Fondi S.p.A. SGR) and placed by Bancoposta. In this regard, the Group's business could be affected by damages resulting from potential customer claims or, indirectly, by a reduction of assets under management due to early divestments or redemptions by dissatisfied customers.

Risks related to the relationship with Cassa Depositi e Prestiti

On 24 December 2021, Poste Italiane and CDP entered into a new agreement to regulate the placement and management of Postal Savings products for a four-year period from 2021 to 2024. The overall value of the agreement over the related four-year period ranges from a floor of Euro 6.4 billion to a cap of Euro 7.4 billion (for further details see “*Description of the Issuer – Business of the Group – 3. Financial Services*”).

Specific budgets are allocated for initiatives concerning the promotion of postal savings products and the development of new technological solutions related to the selling of postal savings passbooks and postal savings bonds.

Due to the current macroeconomic scenario, the net inflows on postal savings passbooks and postal savings bonds are negative and below the collection target set out in the agreement for 2022. In this context, the Issuer and CDP have agreed to establish an action plan aimed at enhancing the collection of postal savings products. If the plan is not sufficient to meet the minimum savings thresholds provided under the agreement with CDP, the latter may request a good faith renegotiation of such agreement. A renegotiation of the agreement could result in the terms and conditions of the renegotiated agreement being less favourable to the Issuer, which could lead to a decline in the Group's revenues and have a material adverse effect on the Group's business, results of operations and financial condition.

4. Insurance services risks

Market risks from investments

The Insurance Services Strategic Business Unit represents a significant part of the Group's business and, in 2021, reached an operating profit of Euro 1,123 million, amounting to approximately 61% of the Group's operating profit of Euro 1,846 million (for further details see “*Description of the Issuer – Business of the Group*”). A key part of the business of Poste Vita is its investment in financial instruments, which it holds mainly in order to cover its contractual obligations to policyholders in relation to traditional life policies and index-linked and unit-linked policies. Other investments in financial instruments relate to the investment of Poste Vita's capital. As a result, Poste Vita is exposed, either directly or indirectly, to a series of market risks from its investments in financial instruments, such as price risk, liquidity risk, interest rate risk, asset and liability management risk, credit risk, exchange rate risk, concentration risk and real estate risk.

Life insurance services risks

As at 30 June 2022, life business technical provisions amounted to Euro 142.9 billion (Euro 158.8 billion as at 31 December 2021).

Life insurance risks arise as a result of the entering into of insurance contracts and the terms and conditions contained therein (technical bases adopted, premium calculation, terms and conditions of early redemption, etc.).

The risks to which Poste Vita is mainly exposed are those deriving from the segregated funds (*gestioni separate*) in class I policies (*polizze di ramo I*) sold by Poste Vita, which – as is typical in the insurance business – represent assigned portfolios of assets to cover insurance liabilities. In particular, such risks relate to the minimum returns on investments guaranteed to policyholders and to the potential impact on Poste Vita’s financial statements of the value attributed to the assets in which the technical provisions are invested.

Considering the current asset allocation of Poste Vita, Italian Government bonds spread versus risk-free rates, corporate bonds spread and interest rates are the main risk factors. Moreover, lapse rate and mortality rate are additional risk factors in the life insurance business of Poste Vita. Lapse rate risk is related to the negative impact on Poste Vita’s bottom line caused by the loss of future fees in case of early redemption of policies in excess of the rate considered in the actuarial hypothesis. Mortality rate risk, for products such as term life insurance, where insurance companies are required to pay the beneficiary a lump-sum claim amount in the event of the death of the insured person, is the risk of economic losses if the mortality rate exceeds the mortality’s probabilities calculated according to actuarial methodologies used in defining the pricing of the above mentioned term life products.

Non-life insurance services risks

Since 2010, Poste Assicura (fully owned by Poste Vita) has offered non-life insurance products and services (including motor insurance services from 2020). The non-life insurance business is typically cyclical. In particular, non-life insurers have experienced significant fluctuations in operating results due to volatile and unpredictable developments, many of which are beyond the direct control of the insurers, including competition, frequency or severity of catastrophic events, general economic conditions and changes in customers’ expectations of premium levels. Such events (excluding catastrophe risk, which is limited) may cause a decline in Poste Assicura’s revenues and adversely affect Poste Assicura’s results of operations and financial condition. As at 31 December 2021, Poste Assicura's non-life business technical provisions, net of the portion ceded to reinsurers, amounted to Euro 0.3 billion (Euro 0.3 billion as at 30 June 2022).

Risks relating to the Solvency Requirements

Both Poste Vita and Poste Assicura are required to comply with the capital adequacy requirements of the regulatory framework of the Solvency II Directive (for further details see “*Description of the Issuer – Regulatory Framework – Insurance Services*”)– aimed at, among other things, preserving capital stability and solidity. The Solvency Ratio of Poste Vita Group (calculated as the ratio between the own funds eligible to cover the capital requirement and the regulatory minimum level calculated on the basis of the Solvency II Directive), as at 30 June 2022, stands at 222%, down compared to 261%, as at 31 December 2021, and remains well above the regulatory requirements, in line with sector averages and management expectations. Inclusion of the transitional measures for technical provisions approved by the supervisory authority in 2019 resulted in an increase in eligible own funds, bringing the Solvency Ratio to 243% as at 30 June 2022 (286% as at 31 December 2021).

In line with the “24SI” Plan, to support the future development of Poste Vita Group’s business and considering the potential risk related to the trend of a few key economic factors (BTP spread and/or interest rates) that could influence the Solvency Ratio of the Poste Vita Group, on 26 July 2021, Poste Italiane increased the capital provided to Poste Vita by subscribing a subordinated, non-convertible capital instrument with a perpetual duration and a 10-year non-call period, amounting to Euro 300 million, on terms and conditions that enable it to be included in the core capital (**Restricted Tier 1** or **RT1**), in order to strengthen the Solvency Ratio of the Poste Vita Group. In addition, on 3 August 2022, the Parent Company further increased the capital provided to Poste Vita by subscribing another 10-year non-call RT1, amounting to Euro 500 million.

As an additional lever of capital management, the Company cautiously introduced a “recovery option” which can be activated in the event of a crisis, which calls for an increase in the share capital through the issue of new stocks to be underwritten by the sole shareholder, Poste Italiane.

In this context, either Poste Vita and/or Poste Assicura may be required to take further action to strengthen their capital in order to achieve capital adequacy levels set under the framework applicable from time to time.

This may be due to a change in the legal or regulatory framework or as a result of external factors (including those set out in “*Market risks from investments*” above), which could reduce their capital adequacy. A requirement for the Group’s insurance companies to strengthen their capital ratios could have a material adverse effect on the Issuer’s business, results of operations, financial condition and prospects.

5. Regulatory and legal risks

Regulatory risks

Given that the Group operates in a range of different sectors (including the postal, integrated communication services, logistics, financial and insurance sectors), it is subject to numerous laws and regulations (including sector-specific laws and regulations as well as tax, anti-money laundering, privacy, antitrust and environmental legislation). In particular, the possible evolution of the supervisory rules regarding BancoPosta RFC might result in the need for additional capitalisation. Compliance with these laws and regulations requires, inter alia, ongoing adjustments to internal processes and procedures, their application to market circumstances, initiatives designed to prevent external disputes and appropriate staff training. Compliance with the relevant rules involves significant costs, which may adversely affect Poste Italiane’s revenues, results of operations and/or financial condition.

Risks related to cross-subsidisation and abuse of dominant position

Under national and European antitrust regulations, any Italian company entrusted by law with the provision of services of general economic interest, entailing special or exclusive rights of access to any asset used for that service provision, or having monopoly characteristics, is subject to special regulations designed to protect competition. In particular, the practice of cross-subsidisation is banned between the activities carried out by the Issuer within the Universal Postal Service and the Group’s other commercial activities. In light of the above-mentioned prohibition, the Issuer has to set up separate companies in order to supply services other than postal and banking services.

Moreover, in accordance with an Italian national competition authority (**AGCM**) decision, article 8, paragraph 2-*quater* of Law No. 287/90 (the **Italian Antitrust Law**) requires the Issuer to provide the use of any asset used for postal services delivery (including postal counters), at the same technical and economic conditions provided to its subsidiaries, to competitors in any other relevant market in which it indirectly operates (e.g. the mobile communications services market, due to the presence of PostePay in that market). These regulations, nevertheless, may hinder the Group’s diversification strategies, impacting its business prospects and ultimately its financial condition. Furthermore, national and European antitrust legislation prevents companies having a dominant position in a market from abusing that position and also from abusing it in connected markets through activities which, leveraging on the dominance in the first market, allow the company to strengthen its position in connected markets or obstruct access by other entities. In this respect, Poste Italiane is considered both by AGCom and AGCM to be the dominant player in the mail market (see resolution No. 728/13/CONS of 19 December 2013).

The imposition of sanctions against the Group’s companies by AGCom or AGCM and/or the European Commission in relation to possible abuses by the Group’s companies may have an impact on the Group’s business and prospects, and its financial condition and results of operations may be therefore adversely affected.

Risks related to litigation

Poste Italiane may be involved in disputes and litigation with European authorities, public authorities, supervisory authorities, tax authorities, competitors and other parties. Litigation and regulatory proceedings are inherently unpredictable. Legal or regulatory proceedings in which Poste Italiane is or comes to be involved (or settlements thereof) may adversely affect Poste Italiane’s results of operations and/or financial condition. For proceedings currently considered to involve material risks see also “*Description of the Issuer - Litigation*”.

MATERIAL FACTORS THAT ARE SPECIFIC TO THE NOTES

The material risks that are specific to the Notes have been classified under the following categories:

1. Risks related to the structure of a particular issue of Notes;
2. Risks related to Notes generally; and
3. Risks related to the market generally.

1. Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common of those features.

Notes subject to optional redemption by the Issuer

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

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

In addition, with respect to Condition 6.3(A) (*Redemption at the option of the Issuer (Clean-Up Call)*), there is no obligation under the Condition for the Issuer to inform investors if and when 20 per cent. or less of the initial aggregate principal amount of a particular Series of Notes remains outstanding, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-Up Call, the Notes may have been trading significantly above their Clean-Up Call Redemption Amount (as specified in the applicable Final Terms), thus potentially resulting in a loss of capital invested.

Redemption for tax reasons

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions. In such circumstances an investor may not be able to reinvest the redemption proceeds in comparable securities offering a yield as high as that of the relevant Notes.

Fixed Rate Notes

A holder of Fixed Rate Notes is exposed to the risk that the price of those Notes falls as a result of changes in the current interest rate on the capital markets (the **Market Interest Rate**). While the nominal interest rate of Fixed Rate Notes is fixed during the life of such Notes or during a certain period of time, the Market Interest Rate typically changes on a daily basis. As the Market Interest Rate changes, the price of such Notes moves in the opposite direction. If the Market Interest Rate increases, the price of such Notes typically falls, until the yield of such Notes is approximately equal to the Market Interest Rate. Conversely, if the Market Interest Rate falls, the price of Fixed Rate Notes typically increases, until its yield is approximately equal to the Market Interest Rate. Investors should be aware that movements of the Market Interest Rate could adversely affect the market price of the Notes.

Floating Rate Notes

Notes with variable interest are subject to fluctuations in interest rate levels and can be volatile investments. In particular, there is no assurance that the amount of interest payable on such Notes will remain at any particular level (unless it is subject to a floor) and, where the reference rate used to calculate interest turns negative, the interest rate will be below the margin, if any, or may be zero. Accordingly, where the rate of interest is equal to zero, holders of such Notes may not be entitled to interest payments for certain or all interest periods. Furthermore, if those Notes are structured to include caps or floors, or a combination of both or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

CMS Linked Interest Notes

The Issuer may issue Notes with interest determined by reference to a constant maturity swap rate (defined as the “CMS Rate” in “*Terms and Conditions of the Notes*”). Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) the CMS Rate may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (iv) If they are structured to include caps or floors, or a combination of both or other similar related features, the effect of changes in the CMS Rate on interest payable is likely to be magnified; and
- (v) the timing of changes in the CMS Rate may affect the actual yield to investors, even if the average level is consistent with their expectations.

Fixed-to-floating or floating-to-fixed rate Notes

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

The regulation and reform of “benchmarks” may adversely affect the value of Floating Rate Notes linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be “benchmarks”, (including EURIBOR) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark, such as Floating Rate Notes.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, 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 EU Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a benchmark, including any Floating Rate Notes linked to or referencing EURIBOR, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

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. 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 any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

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, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Investors should be aware that, if EURIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference EURIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which EURIBOR is to be determined under the “*Terms and Conditions of the Notes*”, this may (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when EURIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference EURIBOR.

The “*Terms and Conditions of the Notes*” provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Adviser in consultation with the Issuer and that 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 benchmark. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant 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 Notes*” and the Agency Agreement are necessary to ensure the proper operation of any Successor Rate or Alternative Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of Noteholders, as provided by Condition 4.3(d) (*Benchmark Amendments*). There is also a risk that the relevant fallback provisions may not operate as expected or intended at the relevant time.

Any such consequences could have an adverse effect on the value of and return on any such Notes. 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 Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consider these matters with their own independent advisers when making their investment decision with respect to any Floating Rate Notes linked to or referencing a benchmark.

Notes issued at a substantial discount or premium

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

Potential conflicts of interest with the Calculation Agent or any Financial Adviser

Any Calculation Agent appointed under the Programme (whether the Principal Paying Agent, any Paying Agent or otherwise) is the agent of the Issuer and not the agent of the Noteholders. Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders, including with respect to certain determinations and judgments that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

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

Furthermore, a Dealer may be appointed by the Issuer to act as Financial Adviser in relation to any Series of Notes, pursuant to Conditions 4.2(b) and/or 6.3. As a result, a potential conflict of interest could arise should such Dealer also agree to subscribe the relevant Notes.

2. Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally.

Reliance on Euroclear and Clearstream, Luxembourg.

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository or safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes and, while the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

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

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. 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.

Decisions at Noteholders' meetings bind all Noteholders.

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, including modifications to the terms and conditions relating to the Notes. These provisions permit defined majorities to bind all Noteholders including those who did not attend and vote at the relevant meeting or, and including those Noteholders who voted against the majority. Any such modifications to the Notes (which may include, without limitation, lowering the ranking of the Notes, reducing the amount of principal and interest payable on the Notes, changing the time and manner of payment, changing provisions relating to redemption, limiting remedies on the Notes and changing the amendment provisions) may have an adverse impact on Noteholders' rights and on the market value of the Notes.

Changes in law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus, although certain provisions relating to the Notes are subject to compliance with certain mandatory provisions of Italian law, such as those applicable to Noteholders' meetings and to the appointment and role of the Noteholders' representative (*rappresentante comune*). 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 Base Prospectus and any such change could have a materially adverse impact on the value of any Notes affected by it.

3. Risks related to the market generally

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

An active secondary market in respect of the Notes may never be established or may be illiquid

Notes may have no established trading market when issued and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. In addition, liquidity may be limited if the Issuer makes large allocations to a limited number of investors.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

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 advisers to determine

whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

Credit ratings assigned to the Issuer or any Notes may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. In this respect, investors should be aware that:

- such ratings will reflect only the views of the relevant rating agency and may not reflect the potential impact of all risks related to structure, market, additional factors discussed elsewhere in this Base Prospectus and other factors that may affect the value of the Notes;
- a rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency; and
- notwithstanding the above, an adverse change in a credit rating could adversely affect the trading price for the Notes.

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).

If the status of the agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes in the EEA and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation 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.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Prospectus and the final terms document for each Tranche of Notes issued under the Programme (the **Final Terms**). To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Certain third party information has been extracted from external sources as described in this Base Prospectus. The Issuer confirms that such information has been accurately reproduced and, as far as it is aware and is able to ascertain from published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, having previously been published, are incorporated by reference in, and form part of, this Base Prospectus:

- (a) the auditors' report and audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2020 available at www.posteitaliane.it / <https://www.posteitaliane.it/en/debt-rating.html> / <https://www.posteitaliane.it/files/1476538096024/annual-financial-report-2020.pdf>, including the following pages:

Report on Operations

1. Introduction.....	Page 8 to 13
2. Highlights	Pages 14 to 19
3. Business Model.....	Pages 20 to 71
4. Strategy.....	Pages 72 to 89
5. Risks and Opportunities	Pages 90 to 131
6. Performance.....	Page 132 to 333
7. Outlook	Page 334 to 336
8. Proposed shareholder resolutions and other information .	Page 337 to 350
9. Consolidated non-financial statement	Page 351 to 370

Financial statements of Poste Italiane as 31 December 2020

1. Introduction.....	Pages 378 to 379
2. Basis for preparation and significant accounting.....	Pages 380 to 407
3. Material events during the year.....	Pages 408 to 411
4. Poste Italiane Group – Financial Statements for the year ended 31 December 2020	Pages 414 to 481
5. Poste Italiane S.p.A. – Financial Statements for the year ended 31 December 2020	Pages 486 to 561
6. Risk Management.....	Pages 564 to 605
7. Determination of fair value	Page 606 to 610
8. Hedging transactions.....	Page 611 to 616
9. Proceedings pending and principal relations with the authorities	Page 617 to 621
10. Material non-recurring events and/or transactions.....	Page 622
11. Exceptional and/or unusual transactions.....	Page 622
12. Events after the end of the reporting period	Page 623

13. Additional information.....	Pages 624 to 649
14. Bancaposta RFC's separate report for the year ended 31 December 2020.....	Pages 652 to 784
Independent Auditors' Report.....	Pages 856 to 877

- (b) the auditors' report and audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2021 available at www.posteitaliane.it / <https://www.posteitaliane.it/en/financial-statements-and-reports.html#/> <https://www.posteitaliane.it/files/1476557513302/Annual-Financial-Report-2021-PDF.pdf>, including the following pages:

Report on Operations

1. Introduction.....	Pages 8 to 14
2. Highlights	Pages 16 to 32
3. Business Model.....	Pages 33 to 103
4. Strategy.....	Pages 104 to 129
5. Risks and Opportunities	Pages 130 to 185
6. Creation of value.....	Pages 186 to 430
7. Outlook	Page 432
8. Summary of the resolutions of the ordinary Shareholders' Meeting and other information	Pages 433 to 448
9. Consolidated non-financial statement	Pages 449 to 474

Financial statements of Poste Italiane as 31 December 2021

1. Introduction.....	Pages 490 to 491
2. Methods of presenting the Financial Statements, accounting standards and methods applied	Pages 492 to 522
3. Significant events during the year	Pages 523 to 527
4. Financial Statements for the year ended 31 December 2021.....	Pages 530 to 602
5. Poste Italiane SpA – Financial Statements at 31 December 2021.....	Pages 608 to 688
6. Risk Management.....	Pages 692 to 733
7. Fair value of financial instruments	Pages 734 to 740
8. Hedging transactions.....	Pages 741 to 746

9. Proceedings pending and main relations with the Authorities	Pages 747 to 753
10. Material non-recurring events and/or transactions.....	Page 754
11. Exceptional and/or unusual transactions.....	Page 754
12. Significant events after the reporting period.....	Pages 755 to 756
13. Additional information.....	Pages 757 to 779
14. Bancaposta RFC's separate report for the year ended 31 December 2021.....	Pages 782 to 920
Independent Auditors' Report.....	Pages 992 to 1013

(c) the Issuer's unaudited interim report for the six months ended 30 June 2022 available at www.posteitaliane.it / <https://www.posteitaliane.it/en/financial-statements-and-reports.html#/> / <https://www.posteitaliane.it/files/1476568017091/Interim-Report-at-30-june-2022.pdf>, including the following pages:

Report on Operations

Introduction.....	Pages 8 to 9
Highlights	Pages 10 to 11
Business Model.....	Pages 12 to 54
Risk Management.....	Pages 55 to 61
Outlook.....	Pages 107 to 108
Other Information.....	Pages 109 to 113
Appendix	Pages 114 to 128

Condensed Consolidated Half-Year Financial Statements

Introduction.....	Page 142
Basis of preparation, methodologies and accounting standards applied.....	Pages 143 to 151
Significant events during the period.....	Pages 152 to 155
Poste Italiane Group financial statements at 30 June 2022.....	Pages 156 to 213
Risk management.....	Pages 214 to 218
Fair value of financial instruments.....	Pages 219 to 221
Proceedings in progress and main relations with the authorities	Pages 222 to 225

Material non-recurring events and/or transactions.....	Page 226
Significant events after the reporting period.....	Page 226
Additional information	Pages 227
Attestation of the manager responsible for financial reporting and independent auditor’s report	Page 238

(d) the unaudited condensed consolidated interim financial statements of the Issuer as at 30 September 2022 available at <http://www.posteitaliane.it> / <https://www.posteitaliane.it/en/financial-statements-and-reports.html#/> / <https://www.posteitaliane.it/files/1476573362478/Interim-Report-for-the-nine-months-ended-30-September-2022.pdf> , including the following pages:

Guide to reading.....	Page 4
Highlights	Pages 6 to 7
Outlook.....	Pages 8 to 9
Group Structure, Corporate Governance and Organisational Structure	Pages 10 to 20
Strategy, innovation and digitalisation, risk management	Pages 21 to 48
Creation of value.....	Pages 49 to 90
Other Information.....	Pages 91 to 100
Consolidated accounting schedules as at 30 September 2022..	Pages 101 to 106
Declaration of the financial reporting manager	Page 107
Alternative performance indicators	Pages 108 to 109
Glossary.....	Pages 110 to 116

The information contained in the documents incorporated by reference that is not included in the cross-reference list above does not form part of this Base Prospectus and is either deemed not relevant for an investor or covered elsewhere in this Base Prospectus.

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

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

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Principal Paying Agent for the time being in Luxembourg and will also be published on the website of the Issuer's website (www.posteitaliane.it) as indicated above / <https://www.posteitaliane.it/en/debt-rating.html>.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note** and, together with a Temporary Global Note, each a **Global Note**) which, in either case, will:

- (a) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) and, together with Euroclear, the **ICSDs**); and
- (b) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that Euroclear and/or Clearstream, Luxembourg has received certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either (a) for interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms, in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9 (*Events of Default*)) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available.

The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Notes (other than Temporary Global Notes), receipts and interest coupons relating to such Notes where TEFRAD is specified in the applicable Final Terms:

“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 provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

General

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a temporary common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then, from 8.00 p.m. (London time) on such day, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 16 December 2022 and executed by the Issuer.

FORM OF FINAL TERMS

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

[PROHIBITION OF SALES TO EEA INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (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 point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended (the Prospectus Regulation). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of 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, as amended (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; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. 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 (the UK PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[MIFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, MiFID II); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **Distributor) should take into consideration the manufacturer[’s/s’] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]**

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]**

[[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (the SFA) - [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].¹]

Final Terms dated [date]

POSTE ITALIANE S.p.A.

Legal entity identifier: 815600354DEDBD0BA991

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €2,500,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 16 December 2022 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Final Terms are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu) and www.posteitaliane.it / <https://www.posteitaliane.it/en/debt-rating.html>.]

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

1. (a) Series Number: []
- (b) Tranche Number: []
- (c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [provide issue amount/ISIN/maturity date/issue date of earlier Tranches] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below, which is expected to occur on or about [date]] [Not Applicable]
2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount:
 - (a) Series: []
 - (b) Tranche: []

¹ Legend to be included on front of the Final Terms if the Issuer needs to re-classify the Notes as “capital markets products other than prescribed capital markets products” and “Specified Investment Products” pursuant to Section 309B of the SFA and the Notes are to be offered in Singapore. Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA

4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. (a) Specified Denominations: []
- (N.B. Notes must have a minimum denomination of Euro 100,000 (or equivalent))*
- (Note – where multiple denominations above Euro 100,000 or equivalent are being used the following sample wording should be followed:*
- “[Euro 100,000] and integral multiples of [Euro 1,000] in excess thereof up to and including [Euro 199,000]. No Notes in definitive form will be issued with a denomination above [Euro 199,000].”)
- [If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
7. Maturity Date: [Specify date or for Floating rate notes - Interest Payment Date falling in or nearest to [specify month and year]]
8. Interest Basis: [[] per cent. Fixed Rate]
[[] [EURIBOR] +/- [] per cent. Floating Rate]
[Floating Rate: CMS Linked Interest]
[Zero Coupon]
(further particulars specified below)
9. Change of Interest Basis: [Specify the date when any fixed to floating rate change occurs or cross-refer to paragraphs 12 and 13 below and identify there] [Not Applicable]
10. Put/Call Options: [Investor Put]
[Issuer Call]
[Clean-up Call]

[Not Applicable]
[(further particulars specified below)]

11. [Date [Board] approval for issuance of Notes obtained: [] [and []], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []] [Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) [Determination Date(s): [[] in each year] [Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
13. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/not subject to any adjustment as the Business Day Convention in (b) below is specified to be Not Applicable.]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ Not Applicable]
- (c) Additional Business Centre(s): []

- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [] (the **Calculation Agent**)
- (f) Screen Rate Determination:
- Reference Rate and Relevant Financial Centre: Reference Rate: [[] month [EURIBOR/[]]/[CMS Reference Rate]. Relevant Financial Centre: [London/Brussels/specify other Relevant Financial Centre]
 - Reference Banks: []
 - Reference Currency: []
(only relevant for CMS Reference Rate)
 - Designated Maturity: []
(only relevant for CMS Reference Rate)
 - Specified Time: [] in the Relevant Financial Centre
 - Interest Determination Date(s): []

(in the case of EURIBOR): [the second day on which the TARGET2 System is open prior to the start of each Interest Period]

(in the case of a CMS Rate where the Reference Currency is euro): [Second day on which the TARGET2 System is open prior to the start of each Interest Period]

(in the case of a CMS Rate where the Reference Currency is other than euro): [Second [specify type of day] prior to the start of each Interest Period]
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(In the case of CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions)
- (g) ISDA Determination: [Applicable/Not Applicable]

(If not applicable, delete the remaining items of this subparagraph (g))

(If applicable, and “2021 ISDA Definitions” is selected below, note that “Administrator/Benchmark Event”, “Generic Fallbacks” and “Calculation Agent Alternative Rate Determination” are not workable in a notes context. Amendments will therefore need to be made to the Conditions which will require a PR drawdown prospectus for the issue)

- ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]
- Floating Rate Option: []

(If “2021 ISDA Definitions” is selected, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions)

- Designated Maturity: []
- Reset Date: []

(In the case of a EURIBOR based option, the first day of the Interest Period)

- Compounding: [Applicable/Not Applicable]

(If not applicable, delete the remaining items of this subparagraph)

- Compounding Method: [Compounding with Lookback

Lookback: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

[Compounding with Observation Period Shift

Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

Observation Period Shift Additional Business Days: [●]/[Not Applicable]]

[Compounding with Lockout

Lockout: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]

Lockout Period Business Days: [●]/[Applicable Business Days]]

- Averaging: [[Applicable/Not Applicable]

(If not applicable, delete the remaining items of this subparagraph)

- Averaging Method: [Averaging with Lookback
Lookback: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
[Averaging with Observation Period Shift
Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
[Averaging with Lockout
Lockout: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Lockout Period Business Days: [●]/[Applicable Business Days]]

- Index provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining items of this subparagraph)

- Index Method: Compounded Index Method with Observation Period Shift
Observation Period Shift: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
Observation Period Shift Additional Business Days: [●]/[Not Applicable]]

(h) Margin(s): [+/-] [] per cent. per annum

(i) Minimum Rate of Interest: [] per cent. per annum

(j) Maximum Rate of Interest: [] per cent. per annum

(k) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]

30E/360 (ISDA)]

14. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to [30/360]
Early Redemption Amounts: [Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

15. Notice periods for Condition 6.2 Minimum period: [] days
(Redemption for tax reasons): Maximum period: [] days
16. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount]/[Make-whole Amount]
(if Make-Whole Amount is selected, include the following items of this sub-paragraph)
- Reference Bond: [Insert applicable Reference Bond/FA Selected Bond]
 - Quotation Time: [11.00 a.m. [London/specify other] time]
 - Redemption Margin: [[] per cent/Not Applicable]
- (c) If redeemable in part: [Applicable/Not Applicable/[provide details]]
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (d) Notice periods: Minimum period: [] days
Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)

17. Clean-Up Call: [Applicable/Not Applicable]
- (a) Clean-Up Call Redemption Amount: [] per Calculation Amount
18. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
- (c) Notice periods: Minimum period: [] days
Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems(which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*
19. Final Redemption Amount: [] per Calculation Amount
- [(N.B. Final Redemption Amount will be at least 100 per cent. of the nominal amount of the Notes) / (N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is higher than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)]*
20. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]

(Ensure that this is consistent with the wording in the “Form of the Notes” section in the Base Prospectus and the Notes themselves. N.B. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: “[Euro 100,000] and integral multiples of [Euro 1,000] in excess thereof up to and including [Euro 199,000].”)

- (b) New Global Note: [Yes][No]
22. Additional Financial Centre(s): [Not Applicable/insert relevant financial centre]
- (Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 13(c) relates.)*
23. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made. In such event, 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 the Paying Agent in exchange for a further Coupon sheet. Each Talon shall be deemed to mature in the Interest Payment Date on which the final Coupon comprised in the relevant Coupon sheet matures.]/[No]

Signed on behalf of Poste Italiane S.p.A.:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify (i) relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of Euronext Dublin) and also any third country market, SME growth market or MTF, and (ii) if relevant listing on an official list (for example, the Official List of the FCA or the official list of Luxembourg Stock Exchange or the official list of Euronext Dublin)] with effect from []].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (b) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [insert details] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms]. Each of [defined terms] [is/is not] established in the European Economic Area (EEA) [but the rating it has given to the Notes is endorsed by [insert the legal name of the relevant credit rating agency entity(ies)] which is established in the EEA] [and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**)]. As such each of [defined terms] is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: The net proceeds of the issue of the Notes will be used by the Issuer for [its general corporate purposes]

[, including] [the provision of financial support to its subsidiaries] [and/or] [*other (specify)*].

(ii) Estimated net proceeds: []

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

(Need to include a description of any interest, including a conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

[Save for any fees payable to the [Managers/Dealers] and save as described in the section of the Base Prospectus entitled “*General Information*”, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates (including parent companies) have engaged, and may in the future engage, in lending, corporate finance, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its/their] affiliates (including parent companies) in the ordinary course of business /*insert any other interests, as appropriate*)]

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

5. YIELD (*Fixed Rate Notes Only*)

Indication of yield: []

6. OPERATIONAL INFORMATION

(a) ISIN: []

(b) Common Code: []

(c) CFI: [[[*include code*], as updated, as/As] set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(d) FISN: [[[*include code*], as updated, as/As] set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(e) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/*give name(s), address(es) and number(s)*]

(f) Delivery: Delivery [against/free of] payment

- (g) Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/[]]
- (h) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
- [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. DISTRIBUTION

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/*give names*]
- (c) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (d) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (e) U.S. Selling Restrictions: Regulation S Compliance Category 2; [TEFRA D/TEFRA C/TEFRA not applicable]
- (f) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
- (g) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]

(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)

- (h) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

8. THIRD PARTY INFORMATION

[Not Applicable]/[[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be endorsed on or attached to each Global Note (as defined below) and each definitive Note. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of Final Terms” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

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

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 16 December 2022 and made between the Issuer, Deutsche Bank AG, London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents). The Principal Paying Agent and the Paying Agents, together referred to as the **Agent or Agents**.

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

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

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

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 16 December 2022 and made by the Issuer. The original of the Deed of Covenant is held by the common

depository or common safekeeper, as the case may be for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection or collection (or electronically) during normal business hours at the specified office of each of the Paying Agents; and (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent). If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and www.posteitaliane.it / <https://www.posteitaliane.it/en/debt-rating.html>. If this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Regulation (EU) 2017/1129, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

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

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes 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 and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the

payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. STATUS OF THE NOTES

The Notes and any relative Coupons are direct, unconditional and (subject to the provisions of Condition 3.1 (*Negative Pledge*)) unsecured obligations of the Issuer (*obbligazioni*) (and are not obligations of the Issuer acting through Patrimonio BancoPosta (as defined below)) which will at all times rank *pari passu* among themselves and (save for such obligations as may be preferred by provisions of law that are both mandatory and of general application) at least *pari passu* with all other outstanding present and future unsecured and unsubordinated obligations of the Issuer (excluding any obligations of the Issuer acting through Patrimonio BancoPosta), from time to time outstanding.

For the purposes of these Conditions:

Patrimonio BancoPosta means such assets as from time to time form part of the asset pool denominated “Patrimonio BancoPosta” and separated from the other assets of the Issuer pursuant to Law Decree No. 225 of 29 December 2010, together with the related business carried on by the Issuer known as “BancoPosta” and all rights and obligations of the Issuer arising in connection with the carrying-on of such business.

3. COVENANTS

3.1 Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries (as defined below) will, create or have outstanding (other than by operation of law) any mortgage, lien, pledge or other charge (other than a Permitted Charge) upon the whole or any part of the assets or revenues, present or future, of the Issuer and/or any of its Material Subsidiaries to secure any Relevant Indebtedness, unless:

- (a) the same security shall forthwith be extended equally and rateably to the Notes; or
- (b) such other security as shall be approved by a Resolution of the Noteholders shall previously have been or shall forthwith be extended equally and rateably to the Notes.

For the purposes of this Condition 3.1 (*Negative Pledge*) only, Material Subsidiaries shall not include Patrimonio BancoPosta in the event that the business and assets represented by Patrimonio BancoPosta are transferred, sold, contributed or assigned to, or otherwise vested in, another body corporate pursuant to paragraph (a) of the definition of Permitted Reorganisation below and such body corporate would otherwise be a Material Subsidiary.

For the purposes of these Conditions:

Permitted Charge means any mortgage, lien, pledge or other charge over any assets of the Issuer (the **Charged Assets**) created by any Person to secure Relevant Indebtedness in the context of a

securitisation or like transaction whereby all or substantially all of the payment obligations in respect of such Relevant Indebtedness are to be discharged solely from funds generated by the Charged Assets; *provided that* the aggregate book value of the Charged Assets shall not exceed at any time 10 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole, as calculated by reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries.

Relevant Indebtedness means any present or future indebtedness for borrowed money of the Issuer which is in the form of, or represented by, any bond, note, debenture or other security and which is, or is capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other established securities market.

3.2 Maintenance of Rating

This Condition 3.2 applies only to Notes which are rated on or after their respective Issue Date (for the purposes of this Condition, **Rated Notes**) by one or more rating agencies.

In respect of any Series of Rated Notes, so long as any of the Rated Notes remains outstanding, the Issuer will use its best efforts to maintain at least one rating of such Rated Notes with any Rating Agency.

4. INTEREST

4.1 Interest on Fixed Rate Notes

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

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

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

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

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

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

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

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

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

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

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

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

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

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

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

In the Conditions, **Business Day** means both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor or replacement for that system (the **TARGET2 System**) is open.

(b) Rate of Interest

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

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the specified Margin (if any). For the purposes of this sub-paragraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating (i) if 2006 ISDA Definitions is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (**ISDA**) and as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if 2021 ISDA Definitions is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Notes (together the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity, if applicable, is a period specified in the applicable Final Terms;
- (C) the relevant Reset Date is the day specified in the applicable Final Terms;
- (D) if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the applicable Final Terms:
 - a) Compounding with Lookback;
 - b) Compounding with Observation Period Shift; or
 - c) Compounding with Lockout; and
- (E) if the Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method is Compounded Index Method with Observation Period Shift as specified in the applicable Final Terms.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purpose in the applicable Final Terms.

If 2006 ISDA Definitions is specified in the applicable Final Terms, the definition of Fallback Observation Day in the ISDA Definitions shall be deemed deleted in its entirety and replaced with the following:

Fallback Observation Day means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates,

unless otherwise agreed, the day that is five Business Days preceding the related Payment Date.

If 2021 ISDA Definitions is specified in the applicable Final Terms, then if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be Temporary Non-Publication Fallback – Alternative Rate in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to Calculation Agent Alternative Rate Determination in the definition of Temporary Non-Publication Fallback – Alternative Rate shall be replaced by Temporary Non-Publication Fallback – Previous Day’s Rate.

For the purposes of this sub-paragraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity, Reset Date, Overnight Floating Rate Option, Overnight Rate Compounding Method, Compounding with Lookback, Compounding with Observation Period Shift, Compounding with Lockout, Averaging with Lookback, Averaging with Observation Period Shift, Averaging with Lockout, Compounded Index Floating Rate Option, Index Method and Compounded Index Method with Observation Period Shift** have the meanings given to those terms in the ISDA Definitions.

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

(ii) Screen Rate Determination for Floating Rate Notes

(A) Floating Rate Notes other than CMS Linked Interest Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to Condition 4.3 (*Benchmark Discontinuation*) and as provided below, be either:

- I. the offered quotation; or
- II. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

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

In the event that the Relevant Screen Page is not available or if, in the case of sub-paragraph I above, no such offered quotation appears or, in the case of sub-paragraph II above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Issuer or, if appointed, the Financial Adviser shall request each of the Reference Banks to provide the Principal Paying Agent or the Calculation Agent, as applicable with its offered quotation (expressed as a

percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date specified in the applicable Final Terms.

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

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as applicable with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent or the Calculation Agent, as applicable by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time (being 11.00 a.m. Brussels time, in the case of a determination of the Euro-zone inter-bank offered rate (**EURIBOR**)) on the relevant Interest Determination Date specified in the applicable Final Terms, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the specified Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date specified in the applicable Final Terms, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent or the Calculation Agent, as applicable it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the specified Margin (if any);

provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different specified Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the specified Margin relating to the relevant Interest Period in place of the specified Margin relating to that last preceding Interest Period).

For the purposes of this sub-paragraph (A):

Financial Adviser means an independent and internationally recognised financial adviser selected by the Issuer and, for the avoidance of doubt, not the Principal Paying Agent.

Reference Banks means:

- I. in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer or, if appointed, the Financial Adviser; and
- II. in the case of a determination of a Reference Rate that is not EURIBOR, the principal office of four major banks in the inter-bank market of the Relevant Financial Centre or as specified in the applicable Final Terms.

(B) Floating Rate Notes which are CMS Linked Interest Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to Condition 4.3 (*Benchmark Discontinuation*) and as provided below, be determined by the Calculation Agent by reference to the following formula:

CMS Rate plus Margin

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

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

For the purposes of this sub-paragraph (B):

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

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

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

Financial Adviser means an independent and internationally recognised financial adviser selected by the Issuer which shall, for the avoidance of doubt, not be the Principal Paying Agent.

Relevant Swap Rate means:

- (1) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**)) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions; and
- (2) where the Reference Currency is any other currency or if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

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

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

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

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

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

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

The Principal Paying Agent, or, as appropriate, the Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent, or, as appropriate, the Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

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

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

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

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

None of the Principal Paying Agent, Paying Agents or the Calculation Agents shall be responsible or liable for any action or inaction of the Independent Adviser or in respect of the determination of any Successor Rate or Alternative Rate, or any Adjustment Spread or Benchmark Amendments.

(e) Notification of Rate of Interest and Interest Amounts

Subject to Condition 4.3 (*Benchmark Discontinuation*), the Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(f) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Benchmark Discontinuation

This Condition 4.3 is applicable to Notes only if the Floating Rate Note Provisions are specified in the form of Final Terms as being applicable.

(a) Independent Adviser

If a Benchmark Event occurs (as determined by the Issuer) in relation to an Original Reference Rate at any time when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall notify the Calculation Agent and the Noteholders of the occurrence of such Benchmark Event and 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 4.3(b) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4.3(c) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 4.3(d) (*Benchmark Amendments*)).

An Independent Adviser appointed pursuant to this Condition 4.3(a) 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 gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the Agent, any Paying Agent, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 4.3.

If (i) the Issuer is unable to appoint and consult with an Independent Adviser in accordance with the foregoing paragraph; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4.3(a) and notify the Principal Paying Agent and the Calculation Agent of such determination prior to the date which is ten Business Days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this Condition 4.3(a) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.3(a).

Notwithstanding any other provision of this Condition 4.3(a), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4.3(a), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall (following consultation with the Independent Adviser, if any) direct the Calculation Agent in writing as to which course of action to adopt. If the Calculation Agent 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 Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

(b) Successor Rate or Alternative Rate

If the Independent Adviser determines in good faith that:

- (i) there is a Successor Rate, then such Successor Rate shall (as adjusted by the applicable Adjustment Spread determined as provided in Condition 4.3(c) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.3); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (as adjusted by the applicable Adjustment Spread determined as provided in Condition 4.3(c) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4.3).

(c) Adjustment Spread

If the Independent Adviser determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) Benchmark Amendments

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 4.3 and the Independent Adviser determines (i) that amendments to these Conditions and the Agency Agreement, including but not limited to Relevant

Screen Page, 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 4.3(e) (*Notices*) and subject (to the extent required) to giving any notice required to be given to, and receiving any consent required from, or non-objection from, the Competent Authority, without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions and the Agency Agreement to give effect to such Benchmark Amendments (provided that the Benchmark Amendments do not, without the prior agreement of each Paying Agent or the Calculation Agent, as applicable, have the effect of increasing the obligations or duties, or decreasing the rights or protections, of each Paying Agent or the Calculation Agent under these Conditions and/or the Agency Agreement) with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.3(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.3 will be notified promptly by the Issuer to the Principal Paying Agent and each Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4.3(a) (*Independent Adviser*) to Condition 4.3(d) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(b)(ii) (*Screen Rate Determination for Floating Rate Notes*) will continue to apply unless and until a Benchmark Event has occurred (as determined by the Issuer).

(g) Definitions

For the purposes of this Condition 4.3:

Adjustment Spread means either a spread (which may be positive, negative or zero), or 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 Noteholders 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 is notified by the Issuer to the Calculation Agent and which:

- (a) (in the case of a Successor Rate) is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) (if no such recommendation has been made or in the case of an Alternative Rate) the Independent Adviser, acting in a commercially reasonable manner and in good faith, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (c) (if the Independent Adviser determines that no such spread, formula or methodology is customarily applied) the Independent Adviser determines, is recognised or acknowledged as

being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be) or reflects an industry-accepted rate, formula or methodology in the international debt capital market for 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

- (d) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged and no such rate, formula or methodology is industry-accepted) 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 4.3(b) (*Successor Rate or Alternative Rate*), and notifies to the Calculation Agent, which is customary in market usage or is an industry-accepted rate in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes and with an interest period of a comparable duration to the relevant Interest Period;

Benchmark Amendments has the meaning given to it in Condition 4.3(d) (*Benchmark Amendments*);

Benchmark Event means:

- (a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist or ceasing to be administered on a permanent or indefinite basis; or
- (b) the making of a public statement by the administrator of the Original Reference Rate that it (i) will, by a specified date within the following six months, cease publishing or (ii) has ceased to publish the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) the making of 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 within the following six months, be permanently or indefinitely discontinued; or
- (d) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally or in respect of the Notes, in each case within the following six months, or is no longer (or will no longer be) representative of its underlying market or that its use will be subject to restrictions or adverse consequences, in each case in circumstances where the same will be applicable to the Notes; or
- (e) any event or circumstance whereby it has or will, by a specified date within the following six months, become unlawful for the Paying Agents, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or

Independent Adviser means an independent financial institution of international repute or an independent financial adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense under Condition 4.3(a) (*Independent Adviser*) which shall, for the avoidance of doubt, not be the Principal Paying Agent;

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

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

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

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

4.4 Accrual of interest

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

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

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

All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, or other laws and regulations to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 7 (*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.

5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note 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 Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.5 Payment Day

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

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (ii) in each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.6 Interpretation of principal and interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.4 (*Redemption at the option of the Noteholders (Investor Put)*)); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount (which shall be at least equal to the nominal amount of each Note) specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

6.2 Redemption for tax reasons

Subject to Condition 6.4 (*Redemption at the option of the Noteholders (Investor Put)*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Principal Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

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

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent to make available at its specified office to the Noteholders (i) a certificate signed by a Director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem

have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Principal Paying Agent shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the holders of Notes or Coupons.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.4 (*Redemption at the option of the Noteholders (Investor Put)*) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if a Make-whole Amount is specified in the applicable Final Terms, will be an amount calculated by the Issuer or the Financial Adviser (on behalf of the Issuer) equal to the higher of:

- (a) 100 per cent. of the nominal amount of the Notes to be redeemed; or
- (b) the sum of the present value of the nominal amount of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) 366) at the Reference Bond Rate (as defined below), plus the specified Redemption Margin,

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

In the Conditions:

FA Selected Bond means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

Financial Adviser means an independent and internationally recognised financial adviser selected by the Issuer which, for the avoidance of doubt, shall not be the Principal Paying Agent;

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

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

Reference Bond Price means, with respect to the Optional Redemption Date, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Issuer or the Financial Adviser (on behalf of the Issuer) obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

Reference Bond Rate means, with respect to the Optional Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Optional Redemption Date;

Reference Government Bond Dealer means each of five banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues;

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and the Optional Redemption Date, the arithmetic average, as determined by the Issuer or the Financial Adviser (on behalf of the Issuer), of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Issuer or the Financial Adviser (on behalf of the Issuer) by such Reference Government Bond Dealer; and

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note from and including the Optional Redemption Date.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6.3 by the Issuer or the Financial Adviser (on behalf of the Issuer), shall (in the absence of negligence, wilful default or fraud) be binding on the Issuer, the Principal Paying Agent, the Paying Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 (*Notices*) at least five days prior to the Selection Date.

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

If Clean-Up Call is specified as being applicable in the applicable Final Terms, in the event that 20 per cent. or less of the initial aggregate principal amount of a particular Series of Notes (including any Notes issued pursuant to Condition 16 (*Further Issues*)) remains outstanding (other than as a result of the Issuer exercising an Issuer Call pursuant to Condition 6.3 (*Redemption at the option of the Issuer (Issuer Call)*)) at an Optional Redemption Amount that is higher than the Clean-Up Call Redemption Amount), the Issuer may, at its option but subject to having given not more than sixty (60) nor less than fifteen (15) days' notice to the Noteholders (which notice shall be irrevocable and shall specify

the date fixed for redemption) in accordance with Condition 14 (*Notices*), redeem all, but not some only, of the outstanding Notes of such Series at their Clean-Up Call Redemption Amount specified in the applicable Final Terms together with any interest accrued to the date set for redemption.

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

This Condition 6.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholders, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6.4 for full information on any Investor Put. In particular the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, upon the expiry of such notice, the Issuer will, subject to, and in accordance with, the terms specified in the applicable Final Terms, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

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

To exercise the right to require redemption of this Note, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on their instruction by Euroclear or Clearstream, Luxembourg or any common depository or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Note pursuant to this Condition 6.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4 and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default*).

6.5 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 9 (*Events of Default*):

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

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

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365),

6.6 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

6.7 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and surrendered for cancellation pursuant to Condition 6.6 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

6.8 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1 (*Redemption at maturity*), 6.2 (*Redemption for tax reasons*), 6.3 (*Redemption at the option of the Issuer (Issuer Call)*), 6.3(A) (*Redemption at the option of the Issuer (Clean-Up Call)*) or 6.4 (*Redemption at the option of the Noteholders (Investor Put)*) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default*) is improperly withheld

or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.5(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

7. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed, 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 will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes 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 Note or Coupon:

- (a) presented for payment in the Tax Jurisdiction; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note or Coupon by reason of them having some connection with the Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5 (*Payment Day*)); or
- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for an exemption; or
- (e) in relation to any payment or deduction of any interest, principal or other proceeds on or from any Notes or Coupons on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 or future similar law and any related implementing regulations (each as amended or supplemented from time to time); or
- (f) in the event of payment to a non-Italian resident legal entity or individual, to the extent that interest or other amounts are paid to such legal entity or individual which is resident in a country which does not allow for a satisfactory exchange of information with the Republic of Italy; or
- (g) where such withholding or deduction is required pursuant to an agreement described in Section 1471 of 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.

As used herein:

- (i) **Tax Jurisdiction** means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 (*Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 5.2 (*Presentation of definitive Notes and Coupons*).

9. EVENTS OF DEFAULT

9.1 Events of Default

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

- (a) if default is made for a period of 10 days or more in the payment of any principal or interest due in respect of the Notes after the due date thereof; or
- (b) if default is made by the Issuer in the performance or observances of any obligation, condition or provision binding on it under the Notes (other than any obligation for payment of any principal or interest in respect of the Notes) and (except in any case where the default is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) such default continues for 30 days after written notice thereof to the Issuer requiring the same to be remedied; or
- (c) if any Indebtedness for Borrowed Money of the Issuer or any of its Material Subsidiaries becomes (or becomes capable of being declared) due and repayable prematurely by reason of an event of default (however described) or the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period) or any security given by the Issuer or any of its Material Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable or if default is made by the Issuer or any Material Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person (as extended by any originally applicable grace period), *provided, however, that* no such event shall constitute an event of default so long as and to the extent that the Issuer or the relevant Material Subsidiary is contesting in a recognised court and/or jurisdiction, in good faith, that the relevant Indebtedness for Borrowed Money or any such security, guarantee and/or indemnity shall be due or enforceable, as appropriate, and *provided further that* no such event shall constitute an event of default unless the Indebtedness for Borrowed Money relating to all such events which shall have occurred

and be continuing whether individually or in aggregate shall amount to at least Euro 25,000,000 (or its equivalent in any other currency); or

- (d) if the Issuer shall cease or announce that it shall cease to carry on its business otherwise than for the purposes of (i) a Permitted Reorganisation or (ii) a transaction on terms approved by a Resolution of the Noteholders; or
- (e) if the Issuer shall be wound up or dissolved otherwise than for the purposes of (i) a Permitted Reorganisation or (ii) a transaction on terms approved by a Resolution of the Noteholders; or
- (f) if the Issuer shall be adjudicated or becomes insolvent or shall stop payment or announce that it shall stop payment or shall be found unable to pay its debts, or any order shall be made or judicially approved by any competent court or other competent body for, or any resolution shall be passed by the Issuer for, judicial composition proceedings with its creditors or the appointment of an administrator, liquidator, receiver, administrative receiver or trustee or other similar official in insolvency proceedings in relation to the Issuer or any substantial part of the assets or property of the Issuer; or
- (g) if the Issuer fails to pay a final judgment of a court of competent jurisdiction within 60 days from receipt of notice that a final judgment in excess of an amount equal to the value of a substantial part of the assets or property of the Issuer has been entered against it or an execution is levied on or enforced upon or sued out in pursuance of any such judgment against any substantial part of the assets or property of the Issuer; or
- (h) if any event occurs which, under the laws of the Republic of Italy, has an analogous effect to any of the events referred to in paragraphs (e), (f) and (g) above; or
- (i) where any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of the Republic of Italy is not taken, fulfilled or done,

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Principal Paying Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Redemption Amount together with accrued interest (if any) without further action or formality.

For the purposes of this Condition 9.1, references to the **Issuer** shall be deemed to include any facts, matters or circumstances arising or subsisting in connection with the carrying-on by the Issuer of the business of Patrimonio BancoPosta.

9.2 Definitions

For the purposes of the Conditions:

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

Material Subsidiary means at any time any fully consolidated Subsidiary of the Issuer:

- (a) whose gross revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case not less than 10 per cent. of the consolidated gross revenues or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary.

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

Permitted Reorganisation means any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind or restructuring or other similar arrangement (including, without limitation, leasing of the assets or going concern) as follows:

- (a) any one transaction or series of transactions, whereby all or substantially all of the business and assets represented by Patrimonio BancoPosta (as defined in Condition 2) are transferred, sold, contributed or assigned to, or otherwise vested in, one or more bodies corporate in good standing, each of them being, prior to or immediately upon such transfer, a Subsidiary of the Issuer; or
- (b) any one transaction or series of transactions to which one or more of the parties is not a Subsidiary of the Issuer, whereby all or substantially all of the business and assets of the Issuer are transferred, sold, contributed or assigned to, or otherwise vested in, a body corporate in good standing and:
 - (i) such body corporate assumes or maintains (as the case may be) liability as principal debtor in respect of the Notes, including the obligation to pay any additional amounts under Condition 7 (*Taxation*), whether by contract or operation of law and in accordance with applicable law; and
 - (ii) upon completion of such transaction(s), such body corporate continues substantially to carry on the business of the Issuer as conducted immediately prior to completion of such transaction(s); and
 - (iii) opinions as to Italian law and English law (in each case of an independent and internationally recognised legal adviser) confirming such assumption of liability, including the obligation to pay any additional amounts under Condition 7 (*Taxation*), have been delivered to the Principal Paying Agent prior to the date of completion of such transaction(s),

provided that, in the period from the initial public announcement of the transaction(s) to 90 days following the date of its or their completion (the **Reorganisation Period**), in respect of any rating assigned to the Notes by any rating agency, the Rating Requirement (as defined below) shall have been satisfied; or

- (c) any one transaction or series of transactions which do not fall within the scope of paragraph (a) or (b) above, whereby all or substantially all of the business and assets of the Issuer are transferred, sold, contributed or assigned to, or otherwise vested in, one or more bodies

corporate in good standing, each of them being, prior to or immediately upon such transfer, a Subsidiary of the Issuer *provided that*:

- (i) if, as a result of such transaction(s), any such body corporate is to assume or maintain (as the case may be) liability as principal debtor in respect of the Notes, including the obligation to pay any additional amounts under Condition 7 (*Taxation*), whether by contract or operation of law and in accordance with applicable law, each of the requirements set out in subclause (b) above shall be met by such body corporate; or
- (ii) if:
 - (A) any such body corporate becomes a Material Subsidiary as a result of such transaction(s); and
 - (B) the Notes do not satisfy the Rating Requirement during the Reorganisation Period; and
 - (C) the giving of a guarantee by such Subsidiary in respect of the Notes under the terms of the Agency Agreement is permitted by applicable laws and regulations and, to the extent required under such laws and regulations, is approved by any relevant regulatory body,

then the Issuer shall procure that such body corporate becomes, in accordance with these Conditions and the provisions of the Agency Agreement, a guarantor (each such guarantor, an **Additional Guarantor** and together the **Additional Guarantors**) upon the date of completion of such transaction(s),

provided that, in each of the above cases, the Issuer shall be solvent at the time of such reorganisation, and no Event of Default shall have occurred and be continuing.

For the purposes of this definition, **Rating Requirement** shall mean:

- (i) where one rating agency has assigned a rating to the Notes, the Notes shall maintain the same (or higher) rating as was assigned to the Notes immediately prior to such reorganisation; or
- (ii) where more than one rating agency has assigned a rating, the Notes shall maintain, in the case of at least two such Note ratings, the same (or higher) rating as was assigned to the Notes immediately prior to such reorganisation.

In the event the Notes are not rated by any rating agency at the time of the initial public announcement of any such reorganisation and are not assigned a rating during the Reorganisation Period, the Rating Requirement shall be deemed satisfied.

The Rating Requirement in respect of any rating assigned to the Notes shall be deemed satisfied if during the Reorganisation Period the then current long-term sovereign rating of the Republic of Italy is downgraded by one or more notches by any rating agency or, as applicable, rating agencies and the Notes are downgraded by the same or fewer notches by such rating agency or, as applicable, rating agencies.

Subsidiary means, in relation to any company (the **First Company**) at any particular time, any other company (the **Second Company**) where at least one of the following conditions is satisfied, pursuant to the provisions of Article 2359 of the Italian Civil Code:

- (a) the First Company holds the majority of votes in ordinary shareholders' meetings of the Second Company; or
- (b) the number of votes held by the First Company is sufficient to give the First Company a dominant influence in ordinary shareholders' meetings of the Second Company; or
- (c) the Second Company is under the dominant influence of the First Company by virtue of certain contractual relationships existing between the First Company and the Second Company,

provided, however, that for the purposes of paragraphs (a) and (b) above, account shall be taken of votes held by the First Company in ordinary shareholders' meetings of the Second Company through subsidiaries, trust companies (*società fiduciarie*) or nominees (but not of votes held by the First Company held on behalf of third parties).

10. APPOINTMENT OF ADDITIONAL GUARANTOR(S)

10.1 In connection with the appointment of any Additional Guarantor(s) pursuant to paragraph 9.2(c)(ii) of the definition of Permitted Reorganisation in Condition 9.2, the Issuer shall procure, and the appointment of any Additional Guarantor shall be effective upon, the delivery to the Principal Paying Agent of the following documentation:

- (a) a duly executed supplemental agency agreement in respect of the Notes and such other documents (if any) as may be necessary to give full effect to the appointment of such Additional Guarantor (together the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Additional Guarantor shall agree to be bound by the provisions of the Agency Agreement in respect of the Notes as fully as if such Additional Guarantor had been named in the Notes and in the Agency Agreement as guarantor for the payment of all sums payable by the Issuer as principal debtor;
- (b) a duly executed unconditional and irrevocable deed of guarantee (a **Guarantee**) in the form or substantially in the form set out in Schedule 7 of the Agency Agreement (or in such other form as may be necessary or appropriate to comply with any applicable law, rule or regulation, including the law of any jurisdiction where that Additional Guarantor is organised or carries on business) pursuant to which such Additional Guarantor shall (i) guarantee in favour of each Noteholder and each Relevant Account Holder (as defined in the Deed of Covenant) the payment of all sums payable by the Issuer as principal debtor, to the extent of, and in the terms specified therein and (ii) undertake in favour of each Noteholder and each Relevant Account Holder to be bound by these Conditions, and such other documents (if any) as may be necessary to give full effect to the relevant Guarantee;
- (c) a certificate signed by a director or equivalent senior officer of such Additional Guarantor, certifying that the giving of the relevant Guarantee by the Additional Guarantor will not breach any restriction imposed on it under laws generally applicable to persons of the same legal form as such Additional Guarantor;
- (d) legal opinion(s) from independent and internationally recognised legal advisers as to English law and the laws of the relevant jurisdiction of the relevant Additional Guarantor (as the case may be), to the effect that execution and delivery of the Guarantee and the Documents have been validly authorised and that all obligations to be assumed by such Additional Guarantor under each of the Documents and the relevant Guarantee constitute legal, valid, binding and enforceable obligations of such Guarantor; and

- (e) a certificate signed by a Director of the Issuer confirming that the appointment of the relevant Additional Guarantor is being conducted in connection with and in accordance with the definition of a Permitted Reorganisation.
- 10.2 The Documents and the relevant Guarantee shall contain a warranty and representation by the Additional Guarantor (i) that the Additional Guarantor has obtained all necessary governmental and regulatory approvals and consents for such admission as Additional Guarantor, for the giving of the Guarantee and for the performance by the Additional Guarantor of its obligations under the Documents and the relevant Guarantee and that all such approvals and consents are in full force and effect, and (ii) that the obligations assumed by the Additional Guarantor under the Documents and the relevant Guarantee are all legal, valid and binding in accordance with their respective terms.
- 10.3 Where the relevant Additional Guarantor is incorporated, domiciled or resident for taxation purposes in a territory other than the Republic of Italy, the Documents shall contain a covenant by such Additional Guarantor and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 7 (*Taxation*) with the substitution for the references to the Republic of Italy of references to the territory or territories in which the Additional Guarantor is incorporated, domiciled and/or resident for taxation purposes.
- 10.4 References in Condition 3 (*Covenants*) and Condition 9 (*Events of Default*) to the Issuer shall be deemed to include references to the relevant Additional Guarantor(s), save that any reference in these Conditions to “Material Subsidiary” or “Material Subsidiaries” shall be read as a reference to a Material Subsidiary or Material Subsidiaries of the Issuer only.
- 10.5 The relevant Additional Guarantor shall have appointed the process agent appointed by the Issuer in Condition 18 (*Governing Law and Submission to Jurisdiction*) or another person with an office in England as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes and the Guarantee.
- 10.6 Upon execution of the Documents and the relevant Guarantee as referred to in sub-clauses 10.1(a) and 10.1(b) above, the relevant Additional Guarantor shall be deemed to be named in the Notes as guarantor for the payment of all sums payable by the Issuer as principal debtor and the Notes shall thereupon be deemed to be amended to give effect to such admission.
- 10.7 The Documents and the relevant Guarantee shall be deposited with and held by the Principal Paying Agent for so long as any Note remains outstanding and for so long as any claim made against the relevant Additional Guarantor by any Noteholder in relation to the Notes, the Documents or the relevant Guarantee shall not have been finally adjudicated, settled or discharged. The relevant Additional Guarantor shall acknowledge in the Documents and its Guarantee the right of every Noteholder to production of the Documents and its Guarantee for the enforcement of any of the Notes, the Documents or its Guarantee.
- 10.8 Not less than 15 days after execution of the Documents and its Guarantee, the relevant Additional Guarantor together with the Issuer shall give notice thereof to the Noteholders in accordance with Condition 14 (*Notices*).

11. REPLACEMENT OF NOTES, COUPONS AND TALONS

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

12. AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any 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.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

14. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London, and (b) if and for so long as the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and are listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg or the Luxembourg Stock Exchange's website, www.bourse.lu. 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 of any stock exchange or other relevant authority on which the Notes 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.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on such day the said notice is given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS AND MODIFICATION

15.1 Meetings of Noteholders

All meetings of the Noteholders will be held in accordance with applicable provisions of Italian law in force at the time.

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Resolution (as defined in the Agency Agreement) of a modification of the Notes or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer at its discretion and, in any event, shall be convened by the Issuer upon the request in writing by any Noteholder(s) holding not less than one-twentieth of the aggregate principal amount of the Notes for the time being remaining outstanding. If the meeting has not been convened following such request of the Noteholders, the same may be convened by a decision of the competent court in accordance with the provisions of Article 2367 of the Italian Civil Code. Every such meeting shall be held in the town, city or country in which the registered office of the Issuer is situated pursuant to Article 2363 of the Italian Civil Code, unless its by-laws or the relevant provisions of Italian law provide differently (including by way of conference call or by use of a videoconference platform).

In accordance with the laws and legislation applicable to the Issuer, as a company with listed shares, a meeting shall be validly held if attended by one or more persons being or representing Noteholders holding:

- (a) in the case of a single call meeting (*convocazione unica*), at least one fifth of the aggregate principal amount of the outstanding Notes; and
- (b) in the case of multiple call meetings:
 - (i) in the case of an initial meeting, at least one half of the aggregate principal amount of the outstanding Notes;
 - (ii) in the case of a meeting convened following adjournment of the initial meeting for want of quorum, more than one third of the aggregate principal amount of the outstanding Notes; and

- (iii) in the case of any subsequent adjourned meeting, at least one fifth of the aggregate principal amount of the outstanding Notes,

provided that, to the extent permitted under applicable provisions of Italian law, the Issuer's By-laws (*statuto*) may in each case provide for higher quorums.

The majority required at any meeting (including any adjourned meeting) convened to vote on any resolution (subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time) will be one or more persons being or representing Noteholders holding:

- (a) for voting on any matter other than a Reserved Matter, at least two thirds of the aggregate principal amount of the outstanding Notes represented at the meeting; or
- (b) for voting on a Reserved Matter, the higher of:
 - (i) not less than one half of the aggregate principal amount of the outstanding Notes; and
 - (ii) not less than two thirds of the aggregate principal amount of the outstanding Notes represented at the meeting,

provided that, to the extent permitted under applicable provisions of Italian law, the Issuer's By-laws may in each case provide for higher majorities.

15.2 Modification

The Notes, the Coupons and these Conditions may be amended without the consent of the Noteholders 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 Noteholders, 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 Noteholders.

Notice of any such modification shall be given to the Noteholders in accordance with Condition 14 (*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 4.3 (*Benchmark Discontinuation*) shall not require the consent or approval of Noteholders or Couponholders, subject (to the extent required) to the Issuer giving any notice required to be given to, and receiving any consent required from, or non-objection from, the Competent Authority.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the Issue Date, the Interest Commencement 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 Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law. Condition 15 (*Meetings of Noteholders and Modification*) and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of a Noteholder's Representative in respect of the Notes are subject to compliance with the laws of the Republic of Italy.

18.2 Submission to jurisdiction

- (a) Subject to Condition 18.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes 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 the Notes and/or the Coupons (a **Dispute**) and all Disputes will be submitted to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 18.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer appoints Intesa Sanpaolo S.p.A., London Branch at 90 Queen Street, London EC4N 1SA or, if different, its registered office for the time being as its agent for service of process, and undertakes that, in the event of Intesa Sanpaolo S.p.A., London Branch ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes and/or as specified in further detail or otherwise in the applicable Final Terms.

DESCRIPTION OF THE ISSUER

Introduction

Poste Italiane S.p.A. (hereinafter **Poste Italiane** or the **Parent Company** or the **Issuer**) is a company limited by shares (*società per azioni*) incorporated and operating under the laws of Italy for a period up to 31 December 2100 (which may be extended by means of a resolution passed at an extraordinary shareholders' meeting). As the Italian public postal operator, Poste Italiane provides postal and financial services through its large network of post offices in the Republic of Italy.

In 1925, postal and related financial services, previously performed by an administrative department of the Italian Government, were transferred into a separate and independent unit of the Government's public administration. In 1994 this unit became a separate and independent body called Ente Poste Italiane, incorporated in the form of a public economic entity (*ente pubblico economico*). On 28 February 1998, effective as of 1 January 1998, Ente Poste Italiane was converted into Poste Italiane S.p.A., a joint stock company, registered with the Companies Register of Rome with the number 97103880585, pursuant to Resolution No. 244 of 18 December 1997 of the Interministerial Committee for Economic Planning (CIPE). The registered office of Poste Italiane is at Viale Europa 190, 00144 Rome, Italy (telephone number: +39 06 59581).

As at 30 June 2022, the share capital of Poste Italiane consists of 1,306,110,000 ordinary shares. All the issued shares are fully subscribed and paid up. No preference shares have been issued and the Issuer holds 7,535,991 treasury shares representing 0.577% of Poste Italiane's share capital.

On 27 October 2015, the Issuer successfully completed the initial public offering (see "*Major Shareholders*" below) and its shares were admitted to trading on the *Mercato Telematico Azionario* of Borsa Italiana S.p.A. (the **MTA**).

The Poste Italiane group (the **Group**) – including, for the avoidance of doubt, BancoPosta RFC (as defined below) – is subject to supervision by the relevant independent competent authorities in relation to the different regulated business segments in which the Group operates.

In particular, the Group is supervised by:

- AGCom, with specific reference to its Postal and Parcel Services (as described below), as well as providing mobile and fixed telecommunication services;
- the Italian central bank (**Bank of Italy**, *Banca d'Italia*) and the Italian Financial Services Authority (**CONSOB**, *Commissione Nazionale per le Società e la Borsa*) which are, respectively, the banking and payments sector and the financial markets regulators;
- the Italian insurance services regulator (**IVASS**, *Istituto per la Vigilanza sulle Assicurazioni*, which replaced the ISVAP as of 1 January 2013, pursuant to Law No. 135 of 7 August 2012) and the pension funds regulator (**COVIP**, *Commissione di Vigilanza sui Fondi Pensione*);
- the Italian data protection authority (**Data Protection Authority**, *Garante per la Protezione dei Dati Personali*), which oversees and regulates the gathering and management of personal data in any economic sector;
- the national anti-corruption authority (**ANAC**, *Autorità Nazionale Anticorruzione*) which, by virtue of Law No. 114 of 11 August 2014, is now also responsible for the duties of the former authority regulating public labour, services and supply contracts (**AVCP**, *Autorità per la Vigilanza sui Contratti Pubblici di Lavori, Servizi e Forniture*);

- the national competition authority (**AGCM**, *Autorità Garante per la Concorrenza e il Mercato*) which is in charge of enforcing the rules aimed at ensuring competition, as well as consumer protection in any economic sector in Italy;
- the Ministry of Economic Development (**MED**, *Ministero dello Sviluppo Economico*) which is in charge of authorising electronic communications operators to provide network access and Internet connectivity solutions. In addition, it monitors technical and organisational measures for the security and integrity of networks and electronic communication services;
- the Italian Regulatory Authority for Energy, Networks and Environment (**ARERA**, *Autorità di Regolazione per Energia, Reti e Ambiente*), which is a multisector regulatory and supervisory authority active in electricity, natural gas, water services, waste cycle and district heating; and
- the Ministry of Ecological Transition (**MET**, *Ministero della Transizione Ecologica*) which is in charge of the implementation of environmental policies.

Moreover, Poste Italiane is subject to supervision from the **Italian Court of Auditors** (*Corte dei Conti*) which examines its budget and financial management. The supervisory activities aim at ascertaining the lawfulness and correctness of the management activities, as well as of the conduct of internal controls.

Creation of BancoPosta ring-fenced capital

On 2 May 2011, pursuant to applicable laws and further to a resolution the Issuer's extraordinary General Meeting, Poste Italiane established a ring-fenced capital (*patrimonio destinato*) to be used exclusively in relation to the "BancoPosta" activities of the Issuer (hereinafter, the ring-fenced capital shall be referred to as **BancoPosta RFC** and the brand or the business division shall be referred to as **BancoPosta**). In particular, from 2 May 2011: (i) BancoPosta RFC's assets and liabilities are, for all intents and purposes, unbundled from those of Poste Italiane; (ii) BancoPosta RFC's assets, liabilities and contractual rights are ring-fenced exclusively for the satisfaction of its obligations arising out of its day-to-day business activities; and (iii) Poste Italiane's liability in relation to activities carried out with an express indication of the attribution of such acts to BancoPosta RFC is limited to the ring-fenced capital. As a result, the assets and legal relationships transferred to BancoPosta RFC are aimed exclusively at the satisfaction of claims relating to the activities of the Issuer carried out through BancoPosta RFC, separate in all respects from the residual assets of the Issuer. Effective from 1 October 2018, the operations and assets of PostePay S.p.A. (formerly PosteMobile S.p.A.) were released from BancoPosta RFC.

As the assets of BancoPosta RFC are a separate pool of assets and ring-fenced capital, Noteholders have no recourse to BancoPosta RFC, but only to the assets of the Issuer.

For further details on the operating activity carried out by BancoPosta see "*Business of the Group – 3. Financial Services*" below.

Major shareholders

The Issuer is a public limited company, listed at the Milan Stock exchange, controlled by the **MEF** (the Italian Ministry of Economics and Finance) through a direct holding equal to 29.26% and an indirect holding through CDP, the Italian national promotional bank (itself controlled by the MEF), equal to 35% of the Issuer's share capital.

The Issuer is not subject to the direction and coordination activity of the MEF, pursuant to article 2497 of the Italian Civil Code, in compliance with article 19, paragraph 6, of Law Decree No. 78 of 1 July 2009, as converted with amendments into Law No. 102 of 3 August 2009.

Group structure as at 30 June 2022

For the “Group structure as at 30 June 2022” including the chart see the paragraph “*Group Structure*” at pages 20-21 of the the Issuer’s unaudited interim report for the six months ended 30 June 2022 which is therefore incorporated by reference in this Base Prospectus.

The omni-channel distribution network

The Group can count on an omni-channel and integrated distribution network which is unique in Italy in terms of its extensiveness and proximity to clients. The digital transformation undertaken by Poste Italiane in recent years has involved both products and services offered in digital form and the distribution model which, through an omni-channel strategy, allows the Issuer to provide services that are tailored to the needs of its customers. The Covid-19 pandemic encouraged the acceleration of the transition to this new operating model, which enables Poste Italiane to quickly respond to changes in the market by leveraging its digital platforms which take advantage from technological innovation to create new personalised products and services and by opening up additional channels of communication with its customers.

The Group’s integrated omni-channel platform provides customer care ad all its services through three channels:

- the proprietary physical network: this network is composed by post offices, specialist commercial services for business clients and the delivery logistic network for the delivery of mail and parcels;
- the digital infrastructure and remote contact points: all of the Group’s digital properties and its contact centre, active throughout Italy; and
- the third-party physical network: composed by approximately 62,000 retail outlets based on commercial partnership agreements for the distribution of Group products and services.

Proprietary physical network

The Group has a physical proprietary network of 12,756 post offices as of 30 June 2022 with a workforce of 29,959 postmen and women as of 30 June 2022 (average number for the first six months of 2022).

The Group’s mail and parcel services are provided through two integrated and synergistic logistics networks: (i) the postal logistics network for the management of mail, which also manages small parcels; and (ii) the parcel logistics network, which handles all types of parcels. The integration between these networks was strengthened in 2020 by increasing the volume of small parcels that can be delivered via a postman/woman (carriable parcels, i.e. up to 5 kilos). In addition to these two existing delivery networks, a “last mile” network was added in 2020 (operated by MLK Deliveries S.p.A. (**MLK Deliveries**)), mainly focused on parcel deliveries with value-added services. Moreover, in 2021, through the acquisition of Nexive Group S.r.l. (and its group), an additional delivery network was added consisting of Nexive’s current external delivery partners which may increasingly focus on the delivery of packages and mail hand-delivered to the customer.

Digital infrastructure and remote contact points

The Web (poste.it) and App (BancoPosta; Postepay; Post Office and PosteID) channels provide access to online services for 33.8 million retail users at 31 December 2021 (35.6 million as at 30 June 2022), operating as both direct sales and after-sales channels. During the first half of 2022, the daily average number of Web and App users was 5.6 million.

Third-party physical network

The third-party network is composed of approximately 62,000 retail outlets with a crucial role in the Group's omni-channel strategy (the **Punto Poste Network**). These retail outlets have increased the services Poste Italiane can provide to customers, including transactional services gaining significant importance during the Covid-19 pandemic. Poste Italiane intends to create a platform for both the integration of the Group's products with new third-party distribution channels and for the use of third-party services within the Group's commercial offerings, also introducing innovative services with high added value.

In 2021 the Punto Poste Network was expanded and currently consists of collection points (*i.e.*, sales points which offer parcel collection and shipping services) and lockers (*i.e.*, self-service locations with extended hours of operation). As at 31 December 2021, this network included approximately 13,500 collection points and parcel drop-off points (13,927 as at 30 June 2022), mainly tobacconists.

Strategy and Business Plan

On 18 March 2021 the Board of Directors of Poste Italiane approved a four-year strategic plan named "2024 Sustain & Innovate" (the **24 SI Plan**), designed to evolve on the basis of the foundations of the previous 2018-2022 five-year strategic plan named "Deliver 2022".

On 22 March 2022 the Board of Directors approved an update of the 24 SI Plan (the **24 SI Plus Plan**).

Whilst the successful execution of Deliver 2022 has been built around the Group's historical competitive advantages, anticipating and addressing areas of growth with a proactive and clear strategic view, the 24 SI Plan is expected to continue delivering co-ordinated growth opportunities in all our businesses.

The 24 SI Plan envisages that the Group shall:

- confirm Poste Italiane's role as a strategic pillar for Italy, considering that Poste Italiane continues to hold an important role in the Italian vaccination programme for Covid-19;
- deliver responsible growth, supporting Italy's transition to a sustainable low carbon economy and social integrity through innovation and digitalisation. In this respect, Poste Italiane has defined a clear ESG strategy structured on eight pillars contributing to the United Nations' Sustainable Development Goals (**SDGs**) (for further details, see "*ESG Strategy*" below);
- support Italy's digital transition;
- evolve the logistic network throughout the value chain, to benefit the full growth potential coming from the growing parcel market.
- achieve customer portfolio diversification across savings, insurance and investment products, building on its position as preferred financial partner, through a state-of-the-art, data-driven technology platform while becoming fully omni-channel; and
- keep payments as the core business and uniquely build on the telecommunication business with the intention of engaging with customers towards more value-added services such as the energy product offer (for further details, see "*Business of the Group – 2. Payments and Mobile*" below).

The 24 SI Plan set pragmatic and achievable financial targets and clearly defined KPIs, including mid-plan objectives, aiming at an improvement to operating profits during the period, supported by revenue growth and cost discipline in all business segments. Targets are built on granular and diverse initiatives, with a low execution risk.

Mail, Parcel and Distribution

Poste Italiane aims to become the preferred logistic operator, ensuring economic and environmental sustainability and the transformation of its business from mail to parcel-centric operator.

The successful introduction of the joint delivery model (the **Joint Delivery Model**), an innovative mail and parcel delivery model, based on population and volume density, which includes afternoon and weekend deliveries, intends to facilitate certain initiatives aimed at efficiency such as contactless delivery and postmen mileage reductions, exploiting the increased points of contact enabled by the Punto Poste Network expansion.

The implementation of the strategy is based on streamlining the distribution networks, including the integration with Nexive Group S.r.l. from 2021, while the overall network evolution is expected to increase productivity and consolidation of leadership in the B2C (business to consumers) market and growth in the C2X (consumer to consumer/business) and B2B (business to business) segments through the introduction of specific offers and initiatives aimed at improving the customer experience. In this respect, the acquisition of Plurima S.p.A. (leader in the Italian market for hospital logistics, document custody and management services for public and private hospitals) intends to reinforce the contract logistics segment.

Payments and Mobile

The Payments and Mobile unit is fully integrated in the omni-channel service model, beside the traditional business lines of payments and telecommunications, with an offer recently launched in the energy sector, a market which has been subject to a liberalisation process which represents an opportunity for Poste Italiane, by leveraging the Group's physical network assets, evolving towards digitalisation of services, including the evolution of all of Poste Italiane's new channels.

This unit has the opportunity to further increase cross-selling activities and is intended to have a crucial role in offering new FTTP (*i.e.*, Fiber To The Premises, a broadband offer) services to customers and from the second half of 2022, the new energy services offer, embracing an energy-fintech approach.

The 24 SI Plan strategy has been developed through the following directions: (i) e-money: evolution and digitalisation of the prepaid and debit card offer to support the payments business and the Group's green strategy through total transactions with debit and prepaid cards (payment card stock - PostePay EVO stock and eco-sustainable card stock - and digital e-wallets stock); (ii) telecommunications: reinforcement of its position in the mobile market and increase in acquisitions from the digital channel with a market expansion through the new "PosteCasa Ultraveloce" fiber offer and migration to a new mobile host operator for optimised management of customers voice and data traffic (fixed and mobile lines stock); and (iii) energy: entry in the energy market, subject to the market conditions, through a 100% green offer on the Italian national electricity and gas market.

Financial Services

The Financial Services unit aims to further evolve its service model by the combination of its traditional physical model with the opportunities provided by technological innovation.

Poste Italiane intends to respond to changing customer preferences and behaviours, leveraging the unique strengths and assets of the Group, with an omni-channel and customer-centric approach.

The priorities of the 24 SI Plan include growth in wealth management, by means of the diversification of customer portfolios to optimise their risk-return profile, the integration of non-life policies within the advisory model and a renewed focus on loans, with particular emphasis on the CQS (salary backed loan) segment, also thanks to partnerships signed with leading operators in the sector. The business related to the purchase of tax credits on building bonuses represents an opportunity to diversify the investment portfolio.

Insurance Services

Poste Italiane aims to become an insurance operator capable of serving all customers' investment and protection needs for the expansion of the Insurance Services unit.

Poste Italiane, through Poste Vita S.p.A. (**Poste Vita**), intends to strengthen its leadership position in the so-called life insurance segment, thanks to its investment products, ideally positioned to serve the increasing demand by retail investors for low risk and low volatility investments.

The Property & Casualty (P&C) business is able to serve the increased demand for health and property protection expected in the post Covid-19 environment with a profitable growth for the division, due to the in-house company undertaking the role of TPA (*i.e.*, third party administrator) for health insurance and fully digital claims management capabilities already in place.

Poste Italiane aims to reverse the trend of under-insurance in Italy compared to the majority of the other European countries, by leveraging on the integration of P&C covers within life investment products.

People, capex, financial results and capital structure

The Group promotes continuous training opportunities in line with innovative business needs as the main driver of its competitive advantage in the market.

The training is part of a much larger project that, in line with business principles and the needs of the market, customers and regulations expects to provide about 25 million hours of training between 2020 and 2024.

The SI Plan 2024 intends to be supported by an effective investment program, driving innovation across all businesses while keeping the ratio of capital expenditures to revenues stable through efficient business management and a conservative cost strategy.

BancoPosta has a strong capital position, with CET 1 (Common Equity Tier 1) ratio at 19.3% at the end of 2021 (20.9% as at 30 June 2022). Poste Italiane's balance sheet has no embedded credit risk due to its limited banking licence (which prevents BancoPosta from lending directly to customers), the CET1 ratio is not impacted by government bond volatility and its unique business model focused on the distribution of third-party products, loans and mortgages which, in turn results in low capital absorption. BancoPosta aims to maintain a strong capital position thanks to its capital light business model centred on distribution of third-party products, with no credit risk.

In addition, the Group's insurance business is expected to continue to have a solid capital position, with a Solvency II Directive ratio, as defined below, in compliance with regulatory requirements and the internal risk appetite framework. The intention is to maintain a strong capital position with a commitment to reduce the sensitivity of the Solvency II Directive ratio to core risk factors from time to time.

In terms of compensation strategy, Poste Italiane has adopted a new flexible and innovative "Rewards Platform" model with an integrated approach that combines human capital development, environmental, social and governance (**ESG**) and financial sustainability strategies.

Poste Italiane expects to maintain a solid balance sheet and an efficient capital structure throughout the 24 SI Plan.

Equity is intended to increase over the course of the 24 SI Plan, pursuing an efficient capital structure for the Group.

ESG Strategy

To be sustainable for Poste Italiane means defining a clear strategy on ESG issues and structurally incorporating it within the strategic objectives set in the "2024 Sustain & Innovate" Plan.

Poste Italiane has adopted a Sustainability Strategy consisting of a set of Sustainability Policies and an ESG Strategic Plan, which contributes to the achievement of national and supranational social and environmental development objectives. Within the broader strategic framework defined by the Group, this strategy is consistent with the Issuer's activities and business criteria. Poste Italiane's ESG Strategic Plan is based on eight pillars in the ESG areas relevant for the Group: (i) Integrity and transparency; (ii) People development; (iii) Diversity and inclusion; (iv) Creating value for the country; (v) Green transition; (vi) Customer experience; (vii) Innovation; and (viii) Sustainable finance.

Each pillar has specific objectives and targets contributing to the achievement of the United Nations' SDGs. The ESG strategic plan is integrated within the 24 SI Plan, enabling the Issuer to create shared value for all the relevant stakeholders and achieve the corporate strategic objectives.

The “*Green transition*” pillar represents Poste Italiane's new green strategy, which aims to accelerate the energy transition process in particular through the so-called “Green Challenge”. This includes entering the energy market with a 100% renewable energy offer and offsetting of CO₂ emissions through the development of *ad hoc* tools in order to help the country achieve carbon neutrality targets by 2030. The name “Green transition” intends to communicate in a clearer way the new comprehensive approach adopted by the Issuer which integrates environmental issues into all Poste Italiane's products, services and processes.

Poste Italiane embarked on a project to renew its fleet, with the aim of reducing the environmental impact of logistics by increasing the use of electric vehicles. Poste Italiane also undertook an ambitious process to decarbonise its buildings. The Group encouraged the installation of photovoltaic panels on its buildings. Furthermore, the “Smart Building” project was promoted to achieve a management system for small/medium Poste Italiane locations by monitoring consumption, weather conditions inside and outside of the buildings and automatic implementation of systems which regulate and manage the air conditioning, heating and lighting systems.

The “*Creating value for the country*” pillar expresses the Group's commitment to create and deliver shared value mainly through: (i) support for the socio-economic development of local communities; (ii) dialogue and transparency in relations with authorities; and (iii) financial inclusion initiatives.

Poste Italiane has always been dedicated to the local communities it works in, supporting modernisation and digitalisation, promoting well-being for citizens and socio-economic development to generate a positive impact on the community through organic and widespread social inclusion initiatives. In this respect, Poste Italiane contributes to the achievement of the SDGs defined within the 2030 Agenda of the United Nations, aimed at ending all forms of poverty (SDG 1); providing quality, equitable and inclusive education and learning opportunities for all (SDG 4); encouraging sustainable, inclusive and lasting economic growth, full and productive employment and decent work for all (SDG 8); reducing inequality (SDG 10).

The effort that Poste Italiane has made to implement a structured sustainability path that is fully consistent with its business objectives has led the Group to achieve important recognitions and inclusion in major sustainability indices such as Euronext MIB ESG with first place in the ESG Overall Score by Vigeo-Eiris, Dow Jones Sustainability Index (both World and Europe), Bloomberg Gender-Equality Index (GEI), Euronext Vigeo-Eiris (both World 120, Eurozone 120 and Europe 120), FTSE4GOOD (both Europe and Developed), and Stoxx Global ESG Leaders.

Business of the Group

The Group's business activities are organised into the following four strategic business units (also referred to as operating segments):

1. **Mail, Parcels and Distribution**, which includes mail, express courier, logistics and parcels, distribution and sale of stamps, and the activities carried out by the various business areas of the Parent Company in the other segments in which the Group operates. In addition to the Parent Company, the

following companies operate in this segment: (i) Postel S.p.A. (**Postel**), (ii) SDA Express Courier S.p.A. (**SDA Express Courier**), (iii) Poste Air Cargo S.r.l. (**Poste Air Cargo**), (iv) and other companies of the Group which carry out minor related additional services. Since 2022 Poste Welfare Servizi S.r.l. (**Poste Welfare Servizi**) is included in this unit. The Mail, Parcels and Distribution unit also earns revenues from the services provided by the various Poste Italiane organisational structures to other units (for further details see “1. Mails, Parcels and Distribution – Revenues in the Mail, Parcels and Distribution segment from other business areas” below).

2. **Payments and Mobile**, includes the activities of payment management, electronic money services and mobile and fixed line telecommunications services carried out by Postepay S.p.A. (**PostePay**), which has an equity interest of 3.6% in Nexi S.p.A. (*i.e.*, a digital payment service provider), offering technology services and infrastructure to banks, businesses and public authorities. Since the second half of 2022, this unit includes activities related to energy sales (*i.e.*, gas and electricity) to end customers.
3. **Financial Services**, which is responsible for the provision by BancoPosta of current accounts and payment services (including pensions and collection or disbursement of payments for third parties, of which some are outsourced to the Payments and Mobile unit), investment products (mainly postal savings products distributed on behalf of Cassa Depositi e Prestiti) and financing services such as mortgages and personal loans branded BancoPosta and issued by third parties. This unit also handles asset management activities through the distribution of mutual funds by BancoPosta Fondi S.p.A. SGR (**BancoPosta Fondi**) and the distribution of third-party asset management products, including those of Anima Holding S.p.A. (**Anima Holding**), an independent asset manager of which the Issuer holds 11.02%. Other minor companies operate in the unit.
4. **Insurance Services**, which operates in the sale of both life insurance products of classes I, III, IV and V, through Poste Vita, and, since its launch in 2010, non-life insurance products through Poste Assicura S.p.A. (**Poste Assicura**) (fully owned by Poste Vita). This unit also includes in 2021 Poste Welfare Servizi (included in the Mail, Parcels and Distribution unit since 2022), which manages supplementary medical funds, services for the acquisition and validation of databases, and services and settlement on behalf of private health funds; it also provides services for the management of health and pension products of the Poste Vita Group (as defined below).

The table below represents the list of companies of the Group operating in each segment as at 31 December 2021.

OPERATING SEGMENTS FOR YEAR ENDED 31 DECEMBER 2021

Mail, Parcels and Distribution	Payments and Mobile	Financial Services	Insurance Services
Poste Italiane S.p.A.	PostePay S.p.A.	BancoPosta RFC	Poste Vita S.p.A.
Postel S.p.A.	Consorzio per i servizi	BancoPosta Fondi S.p.A.	Poste Assicura S.p.A.
SDA Express Courier S.p.A.	di telefonia Mobile	SGR	Poste Welfare Servizi S.r.l.
Poste Air Cargo S.r.l.	S.c.p.A.	Anima Holding S.p.A.	(*)
Consorzio Logistica Pacchi S.c.p.A.	Nexi S.p.A.	Moneyfarm Holding Ltd	Poste Insurance Broker S.r.l.
Europa Gestioni Immobiliari S.p.A.	PSIA S.r.l.	Financit S.p.A.	
Consorzio PosteMotori	Tink AB	Replica SIM S.p.A.	
PatentiViaPoste S.c.p.A.	Volante Technologies		
Address Software S.r.l.	Inc		
Indabox S.r.l.			
ItaliaCamp S.r.l.			
Kipoint S.p.A.			
Conio Inc.			
Sender Italia S.r.l.			
MLK Deliveries S.p.A.			
Sengi Express Limited			
Sengi Express Guangzhou			
Limited			
Nexive Network S.r.l.			
Nexive S.c.a.r.l.			

(*) Since 2022 Poste Welfare Servizi S.r.l. is included in the Mail, Parcels and Distribution unit.

The tables below illustrate certain financial items of the Group by business segment for the years ended 31 December 2021 and 31 December 2020.

(€m)						
Year ended 31 December 2021	Mail, Parcels & Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Net external revenue from ordinary activities	3,685	4,783	1,870	882	-	11,220
Net intersegment revenue from ordinary activities	4,694	759	3	319	(5,776)	-

Net operating revenue	8,380	5,542	1,873	1,201	(5,776)	11,220
Depreciation, amortisation and impairments	(770)	-	(4)	(16)	1	(790)
Non-cash expenses	(64)	(44)	(5)	(12)	-	(125)
Total non-cash expenses	(834)	(44)	(9)	(28)	1	(915)
Operating profit/(loss)	(305)	747	1,123	282	-	1,846
Finance income/(costs)	(18)	(13)	101	226	-	296
(Impairment loss)/reversal on debt instruments, receivables and other assets	-	-	-	-	-	-
Profit/(loss) on investments accounted for using the equity method	1	22	-	3	-	26
Intersegment finance income/(costs)	46	(1)	(48)	-	-	-
Income tax expense	46	(200)	(349)	(85)	-	(588)
Net profit/(loss) for the year	(230)	556	828	425	-	1,580
<hr/>						
Assets	12,845	109,410	166,397	10,194	(14,118)	284,728
Non-current assets	7,832	76,384	154,408	783	(2,753)	236,652
Current assets	5,013	33,026	11,989	9,411	(11,365)	48,076
Liabilities	10,105	104,996	160,444	9,304	(12,231)	272,618

Non-current liabilities	4,317	15,126	159,657	336	(909)	178,528
Current liabilities	5,788	89,870	787	8,968	(11,322)	94,090

Other information

Capital expenditure	739	-	-	15	-	754
Investments accounted for using equity method	3	274	-	-	-	227

(€m)

Year ended 31 December 2020	Mail, Parcels & Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Net external revenue from ordinary activities	3,201	4,945	1,643	737	-	10,526
Net intersegment revenue from ordinary activities	4,634	665	1	341	(5,641)	-
Net operating revenue	7,835	5,610	1,644	1,078	(5,641)	10,526
Depreciation, amortisation and impairments	(667)	(1)	(8)	(25)	1	(700)
Non-cash expenses	60	33	(3)	(5)	-	(35)
Total non-cash expenses	(727)	32	(11)	(30)	1	(735)
Operating profit/(loss)	(588)	866	988	258	-	1,524
Finance income/(costs)	(35)	(7)	90	-	-	48
(Impairment loss)/reversal on debt instruments, receivables and other assets	-	-	(1)	-	-	(1)
Profit/(Loss) on investments accounted for using the equity method	-	(3)	-	8	-	5
Intersegment finance income/(costs)	46	(1)	(48)	1	-	-
Income tax expense	158	(210)	(245)	(73)	-	(370)
Net profit/(loss) for the year	(419)	647	784	194	-	1,206
Assets	12,867	104,229	160,243	8,735	(13,717)	272,357
Non-current assets	7,002	70,254	152,302	484	(2,383)	227,659
Current assets	5,865	33,975	7,941	8,251	(11,334)	44,698
Liabilities	10,885	98,948	154,953	8,193	(12,129)	260,850
Non-current liabilities	4,519	18,290	154,300	304	(793)	176,620
Current liabilities	6,366	80,658	653	7,889	(11,336)	84,230

Other information

Capital expenditure	658	1	1	20	-	680
Investments accounted for using equity method	3	210	-	402	-	615

1. Mail, Parcels and Distribution

This strategic business unit includes the activities of mail, express delivery, logistics, parcels and philately. In more detail, the Mail, Parcels and Distribution segment includes the following areas:

- *Mail*, which includes the provision by Poste Italiane of traditional postal services, as well as direct marketing and innovative services (within the broader sector of paper-based and electronic communications and e-Government services), and the distribution and sale of stamps and products for stamp collectors. This business area also includes services provided by the Postel Group (as defined below) in the area of mass printing; and
- *Parcels*, including express delivery products offered in unregulated markets by Poste Italiane to retail and small and medium-sized enterprise customers and by SDA Express Courier to business customers. SDA Express Courier also provides integrated solutions for distribution, logistics and catalogue sales. The provision of ordinary parcel services is part of Universal Postal Service obligations.

The subsidiary Poste Air Cargo provides air freight services. As part of its postal and parcel service activities, Poste Air Cargo provides air freight services for Poste Italiane (in cooperation with Consorzio Logistica Pacchi S.c.p.A.).

Poste Italiane provides the Universal Postal Service (as defined below in “*Regulatory Framework– Mail, Parcels and Distribution – recent history and current framework*”) on the basis of a mandate which was renewed for 15 years (with mid-term reviews every five years) from April 2011 by the MED. In particular, the Universal Postal Service includes several essential services that must be provided, at reasonable prices, to all users in the territory of the Republic of Italy.

The Universal Postal Service includes:

- collection, transport, sorting and delivery of postal items up to 2 kg;
- collection, transport, sorting and delivery of postal parcels up to 20 kg; and
- services relating to the delivery of registered mail and insured mail.

With the full liberalisation of the postal market, the so called “reserved area” (*i.e.*, the set of postal services exclusively provided by Poste Italiane) was eliminated.

The main tasks carried out by Poste Italiane under the Universal Postal Service are:

- collection and delivery of mail, press items and parcels to the domicile of every legal entity or individual located in the national territory, in compliance with certain quality standards;
- provision of a separate accounting system, based on pre-determined criteria set out in order to prevent cross-subsidisation from universal services to other services provided by the Group;
- calculating and reporting to AGCom the net cost of the Universal Postal Service pursuant to the obligations set out by law, AGCom resolutions and the Poste-MED Programme Agreement (*Contratto di Programma*) signed between Poste Italiane and MED on 30 November 2019 for the years 2020-2024 (the **Poste-MED Programme Agreement**);

- (d) compliance with quality standards for the delivery of postal items and the criteria for the distribution and availability of services set forth by relevant regulations for post offices; and
- (e) adoption of transparent, simple and affordable procedures to manage claims by end-customers.

See “*Regulatory Framework*” below for further details on the Universal Postal Service.

Through the Mail Parcels & Distribution strategic business unit, Poste Italiane continues to reorganise its transport, sorting, delivery and customer experience activities, in line with the long-term objectives outlined in the 24 SI Plan, such as increasing efficiency, flexibility and quality in order to seize the opportunities arising from the development of e-commerce.

In particular, Poste Italiane has a partnership with Amazon EU S.a.r.l. (**Amazon**) for the development of e-commerce in Italy, which was renewed in 2021 with an offer of innovative delivery services, in line with Poste Italiane’s strategy of expanding its logistics segment related to online shopping. Linked to this is also the expansion of the PuntoPoste network for the collection of online purchases and sending returns. By the end of 2021, the network included more than 13,500 alternative collection points. In addition to post offices, these collection points include tobacconists, bars, stationery shops, news-stands and shops, 350 lockers and 100 authorised Carrefour supermarkets (as at 30 June 2022, the Punto Poste Network consisted of 13,927 points, including collection points and lockers).

Moreover, in line with the evolution of the market and the needs of e-shoppers, the Group has embarked on a strategic programme based on collaboration with innovative start-ups specialised in last mile logistics to develop innovative and technologically advanced delivery services, such as the “Scheduled Delivery” service that allows e-shoppers to request delivery on a specific date and time slot (subject to availability).

The two existing delivery networks (*i.e.*, letter carriers and SDA couriers) were joined in 2020 by a “last mile” network, operated by MLK Deliveries and focused mainly on parcel deliveries with value-added services (*i.e.*, “Same Day Delivery” and “Scheduled Delivery”). With the acquisition of the Nexive Group (as defined below) in the first quarter of 2021 and the corporate reorganisation carried out in the following months, an additional delivery network consisting of Nexive’s current external delivery partners was added. As of 1 October 2021, this network is managed by Nexive Network S.r.l. (**Nexive Network**), which provides management and coordination services for the new delivery network, formed by Nexive’s external partners, used to support the “last mile” phase of Poste Italiane’s postal products and small parcels delivery process.

As part of the long-haul road transport optimisation programme launched in 2019, Poste Italiane, through its subsidiary sennder Italia S.r.l. (as of 30 June 2022, 35% owned by Sennder Technologies GmbH), carries out domestic and international long-distance road transport activities, with a business model based on highly digitised processes and proprietary IT platforms, creating optimised management of processes and distances covered.

Mail

The Mail business involves the provision of paper, electronic and hybrid mail services (the latter carried out by the Postel Group (as defined below)), and the coordination of territorial structures for the management of logistic activities relating to mail shipment, transportation and delivery.

The postal market is currently under radical changes, mainly due to the digital transformation, which has affected the volumes of mail and parcels in circulation. In terms of macro-trends, the continuous structural decrease in volumes of traditional mail, replaced by digital forms of communication (*e.g.*, email, instant messaging, etc.) has been accompanied by a significant increase in the volume of parcels shipped.

Poste Italiane's policy is aimed at countering the declining trend in the mail market by defending its market position, through:

- the development of new products and services in line with evolving market needs, including physical, hybrid and fully digital communications needs, leveraging its market position and core assets;
- a comprehensive rationalisation of product portfolio to eliminate overlaps; and
- the improvement of quality and efficiency standards, the maximisation of synergies in the logistics and operation network and the enhancement of all the available Group assets.

Poste Italiane's main sub-business in the Mail business area

The Postel Group (as defined below) provides communication services to businesses and the Public Administration. In addition to printing and enveloping of mail, which traditionally represents the core business of the Postel Group, its range of services includes mass printing (*i.e.*, the set of services intended for outsourcers of large volumes of mail), direct marketing (*i.e.*, integrated communications and marketing services combined with the printing of commercial documentation), electronic document management whereby the Postel Group offers its customers traditional optical acquisition and storage services, as well as innovative services such as backup optical filing and electronic invoicing, e-procurement (*i.e.*, the management, distribution and supply of stationery, IT products, blank forms, printed material, consumables and other products required by both Poste Italiane's network of approximately 12,750 post offices and by external parties).

Parcels

The Parcels' business area includes express delivery products offered on the deregulated market to retail, small and medium-sized enterprise customers and business customers. All the products are provided by Poste Italiane, with the aim of providing an integrated Group offer.

The products offered include the provision of ordinary parcel services as part of the obligation to provide the Universal Postal Service. The SDA Express Courier group manages delivery activities together with the postmen and women network chain for all services offered. The services include shipments in the domestic and international markets, but activities are largely focused on the domestic market.

In the parcel market, e-commerce continues to be the main driver of growth: online commerce has seen significant growth in recent years and is beginning to establish itself as a new buying/selling habit, due in part to new choices caused by the Covid-19 health emergency. These include increased digital consumer education, overcoming of barriers to online shopping, the rise of web shoppers, the digitalisation of traditional retailers and the trend to develop e-commerce channels integrated with the physical experience. However, the parcels segment has experienced a period of uncertainty in 2022, but this does not undermine the market value, which has significantly increased during the Covid-19 pandemic years.

In March 2021, Poste Italiane finalised the acquisition of a majority shareholding in Sengi Express Limited. The company is a benchmark for Chinese e-commerce merchants in the Italian market and a leader in the creation and management of cross-border logistics solutions.

In June 2021 a new parcel hub was opened in northern Italy, the largest logistics centre in Italy (80,000 square metres), capable of handling peaks of more than 300,000 parcels per day through the most advanced technological standards.

Home delivery of medicines is offered in large cities and medium/small municipalities, in three ways: (i) instant areas (*i.e.*, within 90 minutes of purchase), (ii) scheduled (*i.e.*, at the desired time) and (iii) next day (*i.e.*, day after purchase). The service is active in 169 municipalities (large cities and medium-small towns).

In May 2022, a majority stake was acquired in Plurima S.p.A., an Italian leader in the sector of healthcare logistics.

The logistic support for the vaccination campaign to deliver Covid-19 vaccine doses continued in 2022, with more than 30 million doses delivered throughout Italy.

Revenues in the Mail, Parcels and Distribution segment from other business areas

Revenues from other business areas are mainly generated by three types of services which the Mail, Parcels and Distribution segment provides to BancoPosta RFC and the Payments and Mobile unit. These services can be summarised as follows:

- commercial activities, represented by the sale of BancoPosta products and providing services to all customers;
- support services, meaning coordinating and managing investments, IT system, customer care and postal services; and
- staff services, represented by providing support for the coordination and management of BancoPosta RFC across all areas of business.

See “3. *Financial Services*” below for a description of the fees and commissions structure (determined by means of transfer pricing) for the above-mentioned services (which are not taken into consideration in the consolidation process of the Issuer’s separate and consolidated financial statements).

2. Payments and Mobile

The Payments and Mobile strategic business unit aims to deliver on the strategic objective of becoming Italy’s leading payments ecosystem, ensuring convergence between payments and mobile technology, and between physical and digital distribution channels. In this regard, the Group intends to lead changes in the habits of consumers, businesses and the Public Administration, by creating new integrated products and services. In line with the 24 SI Plan, the SBU adopts an omni-channel service model that envisages the use of Poste Italiane’s physical and digital channels, seen as a strength and an opportunity to accelerate the country’s development, and the use of third-party physical networks to strengthen the positioning of the offer.

PostePay aims to be the largest digital payments platform in Italy by leveraging Italy’s most widespread distribution network, made up of post offices, in order to enable the Group to consolidate its role as a driver of the country’s development and innovation. PostePay forms part of Poste Italiane’s digital transformation in response to a changing competitive scenario in the payments sector, designed to take advantage of the opportunities offered by market deregulation and the changes in progress.

Since the second half of 2022, the unit activities have included sales in the energy market related to gas and electricity to end-customers.

The Payments and Mobile strategic business unit was established in 2017 in order to capitalise on the Group’s leadership in prepaid cards and build on PSD2 (as defined in “*Regulatory Framework – Payments and Mobile*” below) to create a single payment solution offering.

Therefore, in order to stimulate its growth in the market of payment services and strengthen its services with respect to retail, business and Public Administration customers, Poste Italiane has decided to combine the

Group's distinctive competencies related to mobile and digital payments in a sole entity since 2018. More specifically, such scope involved the following:

- the contribution in kind in 2018 into PosteMobile S.p.A. (then renamed PostePay S.p.A.), of BancoPosta RFC's e-money and payment services; and
- the establishment by PostePay of a separate entity specialising in e-money and payment services, and through which PostePay operates as an electronic money institution, whilst also continuing to operate as a mobile virtual network operator.

In light of the above, the Payments and Mobile strategic business unit, which operates partially under a ring-fenced capital regime, aims to centralise the management of payment services (also taking into account new activities introduced by PSD2 (as defined in "*Regulatory Framework – Payments and Mobile*" below) and operates as a full MVNO to offer mobile telecommunication services. More specifically, the Payments and Mobile strategic business unit offers (i) electronic money services both in card issuing and acquiring, (ii) collection and payment services provided by BancoPosta RFC (managed in outsourcing), and (iii) mobile and fixed line telecommunication services offered by the former PosteMobile, which has acquired significant experience over the years in digital services and in mobile banking and mobile payments.

PostePay has strategic partnerships with Tink AB (*i.e.*, one of the leading open banking platforms in Europe) and Volanté Technologies Inc. (*i.e.*, a U.S. company specialised in the development of technological solutions underlying payment processes). The investment in Nexi S.p.A. has also been allocated to the Payments and Mobile strategic business unit.

With regard to the e-money service, as of 31 December 2021 the number of cards in circulation is 28.6 million (28.3 million as of 30 June 2022), including prepaid cards (so-called **Postepay**), Postamat debit cards and credit cards. The stock of Postepay amounted to 21.1 million (20.8 million as of 30 June 2022). The payment cards transactions amounted in 2021 to 2,013 million with a total value of Euro 61,086 million (an increase of 25.3% with respect to 2020). As of 30 June 2022, payment cards transactions amounted to 1,075 million with a total value of Euro 32,580 million.

In addition, as of 31 December 2021, PosteMobile had 4.4 million mobile lines (4.5 million as of 30 June 2022) with an overall market share of about 4.3% (4.2% as of 30 March 2022) (Source: AGCom, *Osservatorio sulle Comunicazioni*, n. 4/2021 and n. 1/2022) and 298,000 fixed lines (335,000 fixed lines as of 30 June 2022).

A distinctive PostePay product is Postepay Connect, the offer that combines the Postepay Evolution card and the PosteMobile SIM. Postepay Connect enables customers to: (i) manage payment and telephone services quickly and intuitively through the Postepay App; (ii) transfer data from one PosteMobile Connect SIM card to another PosteMobile Connect SIM card (G2G) free of charge and in real time; and (iii) transfer money between two Postepay accounts (P2P).

In 2021, the commercialisation of Postepay Connect, the offering that integrates the Postepay Evolution prepaid card and the PosteMobile SIM into a single app, continued, focusing on the Postepay Connect Back offer which allows users to receive cash back on their Postepay Evolution card for unconsumed gigabytes.

As part of the Poste Italiane Group's sustainability plan, the first biodegradable Postepay Green card was launched in March 2021. The new sustainable prepaid card, designed for a target audience between the ages of 10 and 17, is made of biodegradable material and offers new functions for teens and their parents, from "parental control" to a "pocket money" service. These services can be used from both the web and the app channel.

In the "Acquiring" area, Postepay Code, a method for collecting cash through a new QR code acceptance function, was activated in January 2020. The feature in the Postepay app allows QR codes to be scanned

directly into the app in order to return the payment option to the screen and then proceed with the transaction. The new service also allows small merchants to collect customer-ordered payments directly from the Postepay app, without the need for a physical card-accepting device (the so-called POS).

In October 2021, the Code WEB function was relaunched for all customers, to standardise the user experience of the Code payment service, both online and in-store. The new feature allows customers to pay online by scanning the QR code on the websites of affiliated merchants.

Also in the “Acquiring” area, following an agreement with Lottomatica - LIS Istituto di Pagamento, the bill payments acceptance service is operational for the approximately 55,000 points of sale in the LIS network. Since 2020, the channel has been active for remote sale by LIS of the physical Postepay POS acquiring service on the entire network of affiliated tobacconists. In addition, the enabling of LIS points of sale to accept bill payments through the Postepay Code was completed in 2021.

With regards to collections, Postepay S.p.A. has joined the *PagoPA system*; its membership as a new-generation Payment Services Provider (**PSP**) (*i.e.*, a financial intermediary for payments made via the internet channel, with a view to comply with PSD2 and alongside Poste), is aimed at intercepting all spontaneous payments to the Public Administration via digital solutions. In the collections segment, it is possible to pay tax collection notices (former RAV) through Poste, which channels them to the *PagoPA system*. In addition, since 2020, the offer of APPs was expanded with payment of car tax.

In 2021 PostePay was awarded the sponsorship contract by the Italian Ministry of Education for the supply of “The Student Card – the Study”, for the distribution of prepaid multifunctional cards to secondary school students and the implementation of a platform for the disbursement of scholarships grants in digital wallets expendable at the network of affiliated merchants. The aim is to bring young people closer to the world of digital payments.

In terms of telephone services, PosteMobile is active in both mobile and land-line services. In the mobile segment, PosteMobile is focused on acquisition offers that build customer loyalty over time with an omnichannel sales proposition both on physical and online channels. As part of its strategy to consolidate land-line telecommunications services and expand its offerings aimed at the consumer and business markets, in 2020 PostePay signed an agreement with Open Fiber and one with TIM to bring advanced Internet connectivity solutions to individuals and businesses, by providing the Italian territory with fiber-optic services with ultra-broadband technologies. In 2021 PosteMobile entered into the ultra-broadband market, providing fiber optic services through ultra-broadband technologies: PostePay has launched “*PosteCasa Ultraveloce*”, the new “data only” offer, which can be subscribed to online, with a “fully digital” process, which enables users to use Internet at home at fiber speed of up to 1Gbps without limits.

Since the second half of 2022 the unit activities have included sales of energy activities (gas and electricity) to end-customers with an offer with 100% green electricity and 100% CO₂ offset for gas.

3. Financial Services

The Financial Services strategic business unit of Poste Italiane offers current accounts and payment services (including pensions and the collection or disbursement of payments for third parties), investment products (mainly postal savings products distributed on behalf of CDP) and financing services such as mortgages and personal loans branded BancoPosta and issued by third parties whereas the payment services (*e.g. bollettini*), are managed in outsourcing by Payments and Mobile (see “2. Payments and Mobile” above).

BancoPosta’s operations consist of the services listed in the Presidential Decree No. 144 of 14 March 2001 (**Presidential Decree 144**), as, as amended,² namely:

² The list of services which may be carried out by BancoPosta has been enhanced by Law No. 221 of 17 December 2012, that amended Presidential Decree 144, as illustrated in “*Regulatory Framework – Financial Services*” below.

- collection of savings from the public in accordance with article 11, paragraph 1, of Legislative Decree No. 385 of 1 September 1993, as amended (**Banking Act**), and all related and consequent activities;
- collection of savings through postal securities and deposits;
- provision of payment services, including the issuance of e-money and other means of payment pursuant to article 1, paragraph 2, letter f), numbers 4) and 5), of the Banking Act;
- currency exchange services;
- promotion and placement to the public of loans issued by licensed banks and financial brokers;
- investment and related services pursuant to article 12 of Presidential Decree 144;
- debt collection services; and
- professional gold trading on own behalf and on behalf of third parties, in accordance with Law No. 7 of 17 January 2000.

These activities, initially performed by BancoPosta as a business division and regulated since 2001 by Presidential Decree 144, have been developed according to a business model able to offer to customers a full range of products and services, without the need of a banking licence. Although Presidential Decree 144 explicitly prohibits BancoPosta (*attività di BancoPosta*), from engaging in lending activities *vis-à-vis* the public, currently carried out by Poste Italiane through BancoPosta RFC, BancoPosta structures products and services and selects, if necessary, third parties to offer the same services both directly and indirectly to clients. BancoPosta has been subject to the supervision of the Bank of Italy since its creation in 2001.

On 28 May 2021, the Extraordinary Shareholders' Meeting of Poste Italiane approved the removal of BancoPosta RFC's restriction on the assets and legal relationships constituting the "Debit Card Business" (*i.e.*, Poste Italiane's debit cards for BancoPosta current account holders). The transaction is aimed at completing the process of centralising e-money services at the Postepay electronic money institution (EMI), via the transfer of the "Debit Card Business" to the latter, as well as making the debit cards linked to BancoPosta accounts a Postepay product. BancoPosta account holders have access to the full functionality of the Postepay payment / cash collection ecosystem, thanks to the integration of the functions of the BancoPosta debit card.

The main distinctive features of the Parent Company are currently: (i) an extensive territorial coverage offered by over 12,750 post offices; (ii) over 35 million customers of BancoPosta; and (iii) client assets totalling Euro 586 billion as at 31 December 2022 (Euro 571 billion as at 30 June 2022).³

Given that Poste Italiane is a single legal entity, the Parent Company's general accounting system maintains uniform characteristics and functionalities. The general principles governing the administrative and accounting aspects of BancoPosta RFC are as follows:



- identification of transactions in Poste Italiane's general ledgers relating to BancoPosta's ring-fenced operations which are then extracted for recording in BancoPosta's separate ledger;
- allocation to BancoPosta RFC of all relevant revenues and costs. In particular, the services rendered by the different functions of Poste Italiane to BancoPosta RFC are exclusively recorded as payables in BancoPosta's separate books, in special accounts, and subsequently settled;

³ These amounts include postal savings deposits, the mutual investment funds marketed, Poste Vita's net technical reserves, asset under custody and current account deposits (the latter not including Long-Term RePos).

- settlement of all incoming and outgoing third-party payments by the Poste Italiane's Chief Financial Officer;
- allocation of income taxes based on BancoPosta RFC's separate income statement after adjusting for deferred taxation; and
- reconciliation of BancoPosta's separate accounts to Poste Italiane's general ledger.

The following table includes a summary of the services provided to BancoPosta RFC by the Issuer's functions, with a brief indication of how the transfer prices are determined as at 31 December 2021.

Function	Allocation key
Commercial Networks	Percentage of net revenues by product/service category
Information Services	Fixed component : recharge of costs based on direct and indirect drivers + fees by professional role based on market benchmarks Variable component : based on maintaining operating performance
Back-office and Customer Care	Fees by professional role based on market benchmarks + recharge of external costs Market prices for similar services
Postal and logistics Services	Prices for mail sent to customers and internal mail
Real Estate	Market prices with reference to floor space and maintenance costs
Legal Affairs	Fees by professional role based on market benchmarks
Administration, Finance and Control	Fees by professional role based on market benchmarks
Group Risk Governance and Security and Safety, including Business Continuity Management	Fees by professional role based on market benchmarks + recharge of external costs
Human Resources and Organisation	Fees by professional role based on market benchmarks
Internal and External Communication	Fees by professional role based on market benchmarks
Purchases	Fees by professional role based on market benchmarks
Internal Auditing	Fees by professional role based on market benchmarks
Anti-money Laundering	Fees by professional role based on market benchmarks
Compliance	Fees by professional role based on market benchmarks

 Essential/Important Functions  Control Functions

The interest paid on the intersegment accounts between BancoPosta RFC and the Poste Italiane functions outside the ring-fence, used for settlements between the two entities, is the same rate paid by the MEF on the relevant Buffer account at the euro short-term rate (€STR) rate.

The cost of the services rendered by Poste Italiane's functions outside the ring-fence and the revenue earned from the latter by BancoPosta, contribute to BancoPosta's results. The relevant transactions, profit and loss

and balance sheet amounts generated by these relationships are only recorded in BancoPosta RFC's separate report. In Poste Italiane's comprehensive accounts, intersegment transactions are, on the other hand, removed and not presented. The accounting treatment adopted is like that provided for by the accounting standards regulating the preparation of the Group's consolidated financial statements.

The current account represents BancoPosta's core basic service for retail customers; over the years such service has been enriched by enhancements and benefits that make it comparable to the services offered by a bank.

In particular:

- the liquidity deriving from the current accounts of BancoPosta's private customers is mandatorily invested in Eurozone sovereign debt securities or up to a maximum of 50% of the total amount into securities guaranteed by the Italian State, in accordance with the provisions of the Italian Budget Law for the year 2007 – Law No. 296/2006. With the conversion into Law No. 106 of 23 July 2021 of Law Decree No. 73 of 25 May 2021, BancoPosta RFC is authorised, as part of the 50% of private customer deposits that can be invested in Italian government-guaranteed securities, to use up to 30% of that portion to purchase transferable tax credits. In 2021, average current account deposits from private customers amounted to Euro 62.5 billion (Euro 64.4 billion in the first half of 2022). A percentage of the funds from private deposits can be placed in a special "Buffer" account with the MEF with the aim of providing investment flexibility against daily movements in the amounts due to current account holders. These deposits are remunerated at a variable rate calculated at the €STR rate; and
- the liquidity deriving from the current accounts of the Public Administration, according to Law No. 266 of 23 December 2005, is deposited with the MEF and remunerated at a variable rate of interest that can be revised every month based on a basket of market indices. In 2021, the average current account deposit of the Public Administration amounted to Euro 9.4 billion (Euro 14.4 billion in the first half of 2022).

The average balance of the investment portfolio in 2021 was Euro 79.1 billion (Euro 86.1 billion in the first half of 2022) resulting from the sum of private and Public Administration deposits and the amount of liquidity deriving from repurchase agreements entered into with primary counterparties for Euro 7.1 billion (Euro 7.2 billion in the first half of 2022). The composition of the average balance of the investment portfolio in 2021 consisted of Italian government bonds for Euro 64.5 billion (Euro 64.0 in the first half of 2022), deposits with MEF and other deposits of Euro 13.0 billion (Euro 15.4 billion in the first half of 2022) and tax credits of Euro 1.5 billion (Euro 6.7 billion in the first half of 2022).

On 24 December 2021, Poste Italiane and Cassa Depositi e Prestiti signed a new agreement to regulate the placement and management of postal savings products for the 2021-2024 four-year period. The placement and management of postal saving bonds (*buoni fruttiferi postali*) and postal savings books (*libretti di risparmio*) continues to be remunerated with annual fees (ranging from Euro 1.6 to 1.85 billion in total) differentiated by product category, the amount of which remains in line with previous years. The remuneration framework for the placement of postal saving bonds provides for a mixed remuneration, partly linked to up-front fees and partly to annual fees, which guarantees the sustainability of the service and ensures that the clients' savings needs are met.

In 2021, the average of postal savings products was Euro 318.1 billion (Euro 317.9 billion in the first half of 2022), of which Euro 101.5 billion (Euro 96.2 in the first half of 2022) related to postal savings books (*libretti di risparmio*) and Euro 216.6 billion (Euro 221.7 billion in the first half 2022) to postal savings bonds (*buoni fruttiferi postali*). The total remuneration of Poste Italiane for 2021 was Euro 1,753 million.

In the area of current accounts, the new "BancoPosta Business Link" current account was launched in 2021, aimed at the "Small Business" segment, offering a modular range, accessible from the revamped online Internet Banking platform and a new app.

In terms of loans provided to private customers by external partners, during the year 2021 the product “Prestito Personale BancoPosta” was developed and released in collaboration with Santander Consumer Bank S.p.A. In addition, salary-backed loans were offered following the acquisition of a participation in Financit S.p.A.

With regard to asset management, the distribution of mutual investment funds continued in 2021 as a result of the partnership with Anima SGR S.p.A and Eurizon Capital SGR S.p.A. (a wholly owned subsidiary of Intesa Sanpaolo S.p.A.), acting as delegated fund managers. In addition, a partnership with Moneyfarm is in place in order to offer an asset management placement service for Poste Italiane customers, accessible exclusively through a special area on the website www.poste.it.

With regard to assets under custody, Poste Italiane has been involved in 2021 in the placement of the third and fourth issuances of the “Futura Multi-year Treasury” Bond (BTP), a security linked to Italy’s GDP performance and launched as part of the Italian Government’s measures to tackle the health emergency, in particular to support economic recovery and the vaccination campaign.

In 2021, the tax credit purchase service dedicated to BancoPosta current account holders, launched in 2020 in accordance with the provisions of the so called *Decreto Rilancio* (Decree Law No. 34/2020 converted as amended by Law No. 77/2020), was further enhanced. As of 31 December 2021, the portfolio of tax credits acquired by Poste Italiane amounted to approximately Euro 7.5 billion in nominal terms and about Euro 6.5 billion in terms of paid value. As of 30 June 2022, the portfolio of tax credits acquired by Poste Italiane amounted to approximately Euro 10.3 billion in nominal terms and about Euro 8.9 billion in terms of paid value. As of 30 June 2022, 72% were made up of credits relating to “ordinary” building bonuses (e.g. restructuring recovery of the building stock, ordinary ecobonus, façade bonus), while the “110% superbonus” represents approximately 25% of the total.

As of 30 September 2022, with reference to the purchase of tax credits relating to building bonuses, certain local Public Prosecutors’ Offices decided as a precautionary measure to seize certain tax credits that were purchased by Poste Italiane. As a result of these measures, adopted in proceedings in which Poste Italiane is a good faith third party and/or an affected party, Poste Italiane submitted a review request, which led, where accepted, to the release of part of the sums previously subject to precautionary measures. Taking into account the effects of Law Decree No. 157/2021 (so called “Anti-fraud Decree”), which allows for the possibility to set-off for the entire duration of the seizure, the amortised cost of the credits that are subject to a seizure order as of 30 September 2022 was adjusted by estimating the average duration of the seizure, based on a series of variables. Lastly, for the purposes of preparing the the unaudited condensed consolidated interim financial statements of the Issuer as at 30 September 2022, also taking into account the provisions of IAS 37, no elements arose that required further assessment, without prejudice to the fact that Poste Italiane will continue its assessment of the potential risks associated with the continuous regulatory evolution and interpretation developments as well as, in particular, the judicial precedents affecting the transactions in question. For further information, including the amount of such tax credits, see page 31 of the interim financial statement as of 30 September 2022, incorporated by reference in the Base Prospectus.

Poste Italiane’s other subsidiaries in the Financial Services strategic business unit

BancoPosta Fondi is a group asset management company (*società di gestione del risparmio*) which establishes and manages BancoPosta funds (managed directly and delegated to third-party asset managers) and markets third-party funds and corporate investment portfolios activities. As of 31 December 2021, the collective investment funds distributed through the national network of post offices have assets amounting to Euro 10.6 billion (9.6 billion as of 30 June 2022).

The Group has a long-term partnership with Anima Holding (in which Poste Italiane holds a 11.02% interest), pursuant to which Anima Holding has been delegated to manage the retail/institutional funds established by BancoPosta Fondi and the assets underlying Poste Vita’s Class I and III insurance products.

Additionally, since 2019, BancoPosta has outsourced its investment management activities to BancoPosta Fondi. As a result, BancoPosta Fondi has become a competence centre for the management of the Group's financial investments.

In 2022, in order to develop the product range in ESG terms, the investment policy of the three funds, "BancoPosta Orizzonte Reddito", "BancoPosta Azionario Flessibile" and "BancoPosta Azionario Internazionale" has been integrated to take into account environmental, social and governance sustainability factors.

4. Insurance Services

The Insurance Services strategic business unit consists of the insurance group (the **Poste Vita Group**) registered in the Register of Insurance Groups with number 43. The Poste Vita Group is composed of the parent company Poste Vita (a wholly-owned subsidiary of Poste Italiane) and its wholly-owned subsidiaries Poste Assicura and Poste Welfare Servizi (not included in this business unit), sold in 2021 to Poste Italiane. In addition, Poste Assicura owns 100% of Poste Insurance Broker S.r.l., an insurance brokerage company.

Poste Vita is enrolled in the Register of Insurance Companies with number 1.00133 and is subject to the direction and coordination (*direzione e coordinamento*) activity of Poste Italiane.

The Poste Vita Group operates in the life and non-life insurance sectors. In particular, Poste Vita is authorised by IVASS to carry out insurance business relating to life classes I, III, IV, V and VI (*rami vita I, III, IV, V e VI*) and the reinsurance business relating to class I (*ramo I*) pursuant to IVASS Resolutions No. 1144 of 12 March 1999, No. 1735 of 20 November 2000 and No. 2987 of 27 June 2012. According to IVASS Resolution No. 2462 of 14 September 2006, Poste Vita is authorised to carry out activities in the damage, health and accident lines of business.

Poste Assicura, which began operating in April 2010, is authorised by IVASS to run the following business lines: (i) accident; (ii) health; (iii) property; (iv) liability; (v) legal protection; (vi) assistance; and (vii) credit.

Poste Welfare Servizi operates in the IT sector, offering various services, including claims management on behalf of, among others, private health funds offering private health coverage. Poste Welfare Servizi also designs, develops and maintains management software and provides IT professional services.

Poste Vita, which distributes its products through Poste Italiane's extensive network, has reached a leading market position, being the first insurance company in terms of life insurance premiums issued in Italy in 2021 (gross premium revenues of Euro 17.6 billion in 2021) with a market share of approximately 14.3% (source: ANIA, Italian Insurance Companies Association).

A number of new products were launched in 2021 and the first half of 2022 as part of the strategic lines outlined in the 24 SI Plan, which include improving the product mix in life insurance with a particular focus on multi-class products.

In the P&C business, in order to reduce the country's under-insurance by raising customer awareness of the importance of protection needs, as envisaged in the 24 SI Plan, the marketing of the new integrated Life/P&C offer was launched in 2021, whereby subscribers to specific Life policies are offered a P&C policy free of charge.

Poste Vita and Poste Assicura operate in the "employee benefits" business, providing large companies and public entities with tailored insurance solutions targeted at their employees.

In addition, in 2021 the new motor liability offer “Poste Guidare Sicuri”, was launched on the market, through Poste Insurance Broker, after a gradual approach to sales by the distribution network (over 4,100 authorised post offices).

In 2021 the Insurance Services strategic business unit had revenues of Euro 1.870 million (Euro 1.073 million in the first half of 2022), mainly generated by the life business, which contributed Euro 1.740 million (Euro 997 million in the first half of 2022), whereas the contribution of the non-Life business was Euro 130 million (Euro 76 million in the first half 2022).

As of 31 December 2021, life business technical provisions amount to Euro 158.8 billion (Euro 142.9 billion as of 30 June 2022) and technical provisions for the P&C business, net of the portion ceded to reinsurers, amount to Euro 273 million (Euro 326 million as of 30 June 2022).

The solvency ratio of Poste Vita Group as at 30 June 2022 stands at 222%, down compared to 261% as at 31 December 2021, and remains well above the regulatory requirements. The inclusion of the transitional measures on technical provisions approved by the supervisory authority in 2019 has resulted in an increase in eligible own funds bringing the solvency ratio to 243% at 30 June 2022 (285% at 31 December 2021).

Regulatory Framework

Mail, Parcels and Distribution – recent history and current framework

Since the beginning of the 1990s, the postal service has been subject to major regulatory changes at the European level, leading to a gradual transformation from a pure national monopoly to a new legal framework entailing market competition, while ensuring the provision of basic services on the whole territory and with certain quality levels (the **Universal Postal Service**). Directive No. 97/67/EC of the European Parliament and of the Council (the **First Postal Directive**), implemented in Italy by Legislative Decree No. 261 of 22 July 1999, was the first step towards the liberalisation of the European Union postal market, defining the characteristics of the Universal Postal Service and the mail services still reserved to the Universal Postal Service provider. In June 2002 the First Postal Directive was amended by Directive No. 2002/39/EC of the European Parliament and of the Council (the **Second Postal Directive**), implemented in Italy by Legislative Decree No. 384 of 23 December 2003, that further reduced the scope of the business area reserved to the Universal Postal Service provider, in order to lower entry barriers into national markets. Finally, in February 2008, the Council and the European Parliament adopted Directive No. 2008/6/EC (the **Third Postal Directive**), which fully liberalised the postal market. These three directives can be collectively referred to as the **Postal Directives**.

The Third Postal Directive was implemented in Italy by the National postal law, as amended on 31 March 2011, which renewed Poste Italiane’s entrustment with the provision of the Universal Postal Service for 15 years, until 30 April 2026, subject to periodic assessments by the MED. As from 1 June 2012, the National postal law was amended to exclude direct mailing from the scope of the Universal Postal Service, while keeping up to 2017, for reasons of public security, the right to provide postal services relating to the notification of judicial acts exclusively to the Universal Postal Service provider. The National postal law also amended the criteria used to assess the net cost of the Universal Postal Service, which has to be calculated as the difference between the net result of the designated service provider subject to Universal Postal Service obligations and the net result of a hypothetical player operating without such obligations. It also established that the net cost of the Universal Postal Service provision has to be funded through the State compensations specified in the multi-annual Poste-MED Programme Agreement signed between the MED and the Issuer (currently covering the period 2020-2024), as well as through a compensation fund to which other postal operators have to contribute.

The Poste-MED Programme Agreement currently in force was signed on 30 December 2019; it provides a comprehensive framework regulation for the provision of the Universal Postal Service for the years 2020-2024. The Poste-MED Programme Agreement has been notified on 16 October 2020 by Italian authorities to

the EC Commission under the EU State Aid rules and on 1 December 2020 the EU Commission gave a favourable opinion. According to the Poste-MED Programme Agreement, for the five-year period 2020-2024 Poste Italiane will receive a maximum compensation of Euro 262.4 million per year.

Additional changes to national postal law (Law No. 261/99) have been introduced by the 2015 Stability Law (Law No. 190/2014) and the 2018 Budget Law (Law No. 205/2017, the 2018 Budget Law), as detailed below.

The MED provided regulatory oversight of postal services in Italy until the end of 2011, when the national regulator for telecommunications, media and postal services, AGCom, took this role pursuant to Law No. 241 of 22 December 2011. The MED, in order to safeguard certain fundamental rights of users, still retains the power to authorise the provision of postal services under Regulation No. 129/15/CONS approved by AGCom. This Regulation also introduced reforms to the process for awarding authorisations aimed at achieving greater protection for customers by improving the quality of services offered, by providing commercial information to customers and greater protection for postal sector workers. Regulation No. 129/15/CONS requires a licence to be obtained for the provision of services included in the scope of Universal Postal Service and an authorisation, issued through a silent consent mechanism lasting 45 days, for the supply of non-universal services. The MED may, at AGCom's request, revoke authorisations already assigned in the event of serious breaches of obligations related to the provision of postal services. Based on the latest information publicly available on the MED's website,⁴ on 31 March 2022 there were about 3,500 postal operators in Italy, holding approximately 4,800 licences and general authorisations, that are, with few exceptions, small organisations with modest market shares.

AGCom also oversees compliance with the Universal Postal Service mail delivery performance and postal counters availability with minimum quality levels and may impose penalties on the Issuer in case of non-compliance. In case of serious breaches, penalties may include the revocation of the assignment of Universal Postal Service provision. AGCom also utilises third parties for the verification of mail quality on a statistical basis, in accordance with European Union technical rules. AGCom set general technical rules for the provision of Universal Postal Services with Resolution No. 385/13/CONS, including obligations to inform consumers and competitors, in terms of access, quality and prices, of relevant services and to apply non-discriminatory conditions to any of them. With regard to the availability of access to network, the two Decrees of the MED of 28 June 2007 and 7 October 2008, together with AGCom Resolutions No. 293/13/CONS and 342/14/CONS, establish standards in relation to the distribution on the Italian territory of post offices and letter boxes and in relation to the minimum opening times of post offices. With Resolution No. 308/22/CONS, "new criteria for distribution of mailing boxes within the universal service", AGCom has introduced new criteria for distribution of mailing boxes, in order to make this network more efficient, adapting it to the actual needs of the users, manifested by the progressive and growing decrease in volumes inside the boxes. With Resolution No. 331/20/CONS of 22 July 2020, AGCom has defined further quality standards of the Universal Postal Service with respect to the continuity and reliability of the services provided in the post offices.

Under the Postal Directives, the Universal Postal Service consists of services provided on a permanent basis throughout Italy, even if addressed to or originating abroad, with defined quality levels and prices that are affordable to consumers. The Universal Postal Service includes: (i) the collection, transport, sorting and delivery of mail weighing up to 2 kg; (ii) the collection, transport, sorting and delivery of parcels weighing up to 20 kg; and (iii) services related to registered and insured letters and parcels. The services included within the Universal Postal Service in Italy as at the date of this Base Prospectus are: ordinary mail, priority mail, bulk mail, registered mail, insured mail, legal notifications, mailings of publications, ordinary parcels, printed items products and ancillary postal services in connection with the foregoing services, such as the notice of receipt of registered mail and payment on delivery. The postal services that are not included under the aforementioned list or under the AGCom Resolution No. 385/13/CONS do not fall within the Universal Postal Service and therefore their prices are subject to VAT. The prices of the Universal Postal Service are regulated by AGCom through a wide range of price control mechanisms, which include the pricing principles set by

⁴ MED Official Website https://www.mise.gov.it/images/stories/documenti/Elenco_operatori_postali_-_LIC_AUG_AEI.pdf

directives and national postal law. The majority of these price mechanisms are set by Resolutions No. 728/13/CONS and 396/15/CONS. In general terms, prices are set in accordance with a series of criteria including affordability for consumers (achieved through correlation with costs of provision), transparency and non-discrimination, not precluding the supplier's right to enter into individual agreements with clients. In particular, under AGCom Resolution No. 728/13/CONS, as amended by Resolution No. 396/15/CONS, the Issuer is entitled to set, in accordance with criteria of fairness and reasonableness and not on the basis of pre-established maximum limits, the prices of services for businesses' mail, priority, insured mail and ordinary parcel products. Individual mailings of ordinary, registered mail and judicial acts notifications are subject to maximum rate caps. Any change in Universal Postal Service prices is subject to prior notification by the Issuer to AGCom at least 90 days in advance. Within 60 days from the notification, AGCom may request amendments or even reject the proposed price changes in case of non-compliance with the above-mentioned criteria. If AGCom does not request any amendments, the Issuer is authorised to apply the changes to the relevant prices, provided that such new prices are communicated to customers 30 days in advance. Universal postal prices are exempted from VAT (VAT Directive).

The provision of the Universal Postal Service may lead to an unavoidable loss, also referred to as the Cost of Universal Postal Service (CUS). The CUS is calculated on an annual basis by the supplier of the Universal Postal Service and verified by AGCom, which also determines the means of its funding. The compensation to cover the CUS is determined *ex ante* under the Poste-MED Programme Agreement for the supply of the Universal Postal Service signed between the Issuer and the Italian State. The amount of such compensation is verified in advance by the European Commission in accordance with the legal framework on State aid and, if the outcome is positive, the European Commission authorises the disbursement of the compensations. The compensation is provided by public funds and a special compensation fund financed by the Issuer's competitors. The compensation fund is managed by the MED and funded by the Parent Company's competitors, who provide services that are a substitute for the Universal Postal Services, with a portion of the gross turnover that refers to the supply of such services. The activation of the compensation fund is subject to prior authorisation by the European Commission, in the light of its effect on market competition.

AGCom has verified the net cost of the Universal Postal Service as provided by the Parent Company for the years 2011 and 2012, pursuant to Resolution No. 412/14/CONS. In both 2011 and 2012, there was a marked difference between the value of the CUS calculated by the Parent Company and the value verified by AGCom, by virtue of several differences in the methodology applied that could affect also future assessments. For this reason, the Parent Company challenged such resolution before the relevant administrative court. The Issuer's main competitor filed a similar complaint, although it claimed an excessive amount of CUS.

In September 2017, AGCom published Resolution No. 298/17/CONS relating to its assessment of the net cost of the Universal Postal Service incurred by Poste Italiane for 2013 and 2014 and the applicability of the mechanism for allocating such cost. Specifically, AGCom has assessed the net cost for 2013 and 2014 to be respectively Euro 393 million and Euro 409 million. AGCom has also determined that the net cost for providing the Universal Postal Service for 2013 and 2014 was unfair and that the compensation fund to cover the cost for these years, pursuant to art. 10 of Legislative Decree 261/1999, has not been established. With regard to the method used to calculate the net cost, on 6 November 2017 Poste Italiane lodged an appeal against this resolution with the Lazio Regional Administrative Court and the dispute is still pending.

With Resolution No. 214/19 of June 7, 2019, AGCom has completed the assessment of the net cost for the years 2015 and 2016; it has established that the net cost incurred by Poste Italiane is of Euro 389 million for 2015 and Euro 356 million for 2016. The authority has determined that the net costs incurred by the Parent Company are unfair; however, the compensation fund has not been established. In October 2019 the Parent Company lodged an appeal against this resolution and the dispute is still pending.

On 7 June 2019, with Resolution No. 215/19, AGCom also opened the net cost assessment proceeding for the years 2017 and 2018, which was further extended – on 8 July 2020 – to the year 2019. On 1 July 2021, AGCom published Resolution No. 199/21/CONS, which concluded the proceedings to verify the net cost of the

Universal Postal Service for the years 2017, 2018 and 2019. Specifically, the burden of the Universal Postal Service for these years was quantified at Euro 354.5, 334.5 and 175 million, respectively. For the year 2019, the verified burden (Euro 175 million) is less than the authorised offsets (Euro 262 million). The authority has determined that the net costs incurred by Poste Italiane are unfair; however, the compensation fund has not been established. In September 2021, Poste Italiane lodged an appeal against this resolution and the litigation is still pending.

Mail, Parcels and Distribution – recent amendments to the Universal Postal Service and the Poste-MED Programme Agreement

According to the Postal Directives, the supplier of the Universal Postal Service provides collection and distribution services at addresses at least five days per week, except when exceptional infrastructural or geographical situations occur. The 2015 Budget Law introduced a series of reforms for the provision of the Universal Postal Service to ensure a more efficient and economically sustainable provision of services, while taking into account the changing needs of Italian consumers, including the rapid growth in the use of electronic communications. These measures concern the possibility of the Universal Service Provider implementing alternate-day delivery for up to 25% of the population coverage, the introduction of an ordinary mail service alongside the priority one and the setting up of the ordinary mail service's quality level at "J+4" (delivery four days after collection).

On the basis of the 2015 Budget Law, AGCom's Resolution No. 395/15/CONS authorised Poste Italiane to implement, by early 2015, a new mail delivery model, based on a delivery frequency on alternate days instead of the current daily delivery, intended for around 25% of the Italian population living in less densely populated areas. The regulator retained the power to stop the implementation of the new delivery model or condition the implementation on the introduction of corrective measures, in case of service disruption, failure to achieve planned cost savings or serious concerns raised by the European Commission. With Resolution No. 395/15/CONS, AGCom authorised the gradual implementation, in three phases, of an alternate-day delivery model for mail within the scope of the universal service.

Following the implementation of the first two phases of the model, involving approximately 2,600 municipalities and 16 Italian regions, the third and final phase was launched on November 2017, involving a further 2,500 municipalities in 18 regions. The reform of the delivery model has been completed with the end of the third phase, in March 2019, involving approximately 5,000 municipalities. On 20 July 2020, the Parent Company submitted to AGCom and the EU Commission the Annual Report on the new delivery model.

In addition, in accordance with the above-mentioned resolution, Poste Italiane has developed a new formula for the distribution of printed publications with AGCom. This will cover the delivery of publications to subscribers in part of the areas where the alternate-day delivery model is being implemented.

Appeals against this resolution were lodged before the Lazio Regional Administrative Court, but were later withdrawn, resulting in the cancellation of the related proceedings.

Law 124/2017 came into force on 29 August 2017. Law 124/2017 provides for the repeal, starting from 10 September 2017, of article 4 of the Legislative Decree 261/1999 and amendment of the related articles, removing the exclusive right to offer services relating to the legal process and the notification of violations of the Highway Code (*Codice della Strada*) (article 1, paragraph 57). Law 124/2017 also sets out that the issue of an individual licence to provide such services must be subject to specific requirements and obligations of security, quality, continuity, availability and provision of the services. In this regard, AGCom issued Resolution No. 77/18/CONS (20 February 2018) that sets out the regulations governing the issue of the above-mentioned licences. The MED adopted the implementing regulations by Decree dated 19 July 2018, published in the Official Gazette No. 208 of 7 September 2018.

Law 205 of 27 December 2017 (the 2018 Budget Law) and Law 145 of 30 December 2018 (the 2019 Budget Law) introduced changes to the text of Law 890 of 20 November 1982, regarding the delivery of legal process and notifications of violations of the Highway Code by post.

According to the new regulatory framework governing these services, AGCom with Resolution No. 155/19/CONS, published on 14 May 2019, adapted the existing regulations (Resolutions No. 77/18/CONS, 285/18/CONS and 600/18/CONS) to the provisions introduced by the 2019 Budget Law. In February 2020, the Ministry of Justice adopted certain implementing guidelines for the professional training of postal notification personnel, thus enabling the effective entry of alternative licensed operators into the market. With ANAC Resolution No. 185 and AGCom Resolution No. 116/22/CONS of 13 April 2022, the guidelines for the awarding of public contracts for postal services were approved and came into force on 19 May 2022. The measure also regulates the entrustment of postal notifications under Law 890/1982. By subsequent AGCom Resolution 295/22/CONS, published on 12 August 2022, the Authority initiated proceedings to amend Resolution 77/18/CONS.

In addition, on 3 June 2019, AGCom initiated proceedings to assess the possibility of extending to retail customers the application of a tariff for notification services composed of the delivery component and a flat fee for related communications, already adopted for large customers. In addition, AGCom issued Resolution No. 396/15/CONS, setting new quality targets and new tariffs for postal services falling under the Universal Postal Service and reintroduced ordinary mail as a basic service for individuals. In relation to applicable prices, AGCom's Resolution No. 396/15/CONS established that the price of ordinary mail is subject to a price cap regime, with the possibility of price increases in a way that is inversely proportional to declining volumes. For priority mail, on the other hand, the Issuer is required to charge only fair, reasonable and non-discriminatory prices. Regarding quality of service, Resolution No. 396/15/CONS stipulates that 90% of Universal Postal Service mail delivery, including ordinary mail, must be achieved by the fourth day after acceptance of the item in the postal network, compared with the previous three days. For priority mail, at least 80% of items must be delivered by the first available day after acceptance, measured as "useful" working days allowed for the implementation of the alternate-day delivery model.

In the above-mentioned Resolution No. 396/15/CONS, AGCom announced a separate regulatory initiative to amend the current regulation on access to Poste Italiane's network for competitors foreseen by Art. 6 of Resolution No. 728/13/Cons. The new regulatory framework on access finally emerged from:

- Resolution No. 385/17/CONS, which introduced alongside the pre-existing general obligation to negotiate with competitors under fair and reasonable terms the provision of cost-oriented access for monopoly areas; and
- Resolution No. 452/18/CONS, which introduced a "price test" for Poste Italiane's business offers to prevent margins being squeezed.

In the same context, AGCom also introduced a new regulation for the restitution to alternative operators of misdirected letters found in the universal collection network (Resolution No. 553/18/CONS).

On 20 July 2020, AGCom initiated proceedings for the possible revision of the criteria for the definition of the so-called "EU2 areas", pursuant to Resolution No. 385/17. These are the areas in which there is no alternative network to that of Poste Italiane, so this regulation is relevant to the issues of access to the postal network and the replicability of wholesale commercial offers.

AGCom has also recently initiated new consultations regarding both the parcel and letter markets. Resolution No. 350/19 of September 2019 on the parcel market is aimed at analysing the competitive dynamics in the market. An interim report was published in July 2020 (Resolution No. 212/20). With regard to the letter markets, with Resolution No. 330/20 of July 2020, AGCom launched a consultation on the competitive dynamics of the markets and on the possible revision of tariffs for certain Universal Postal Service products. The latter consultation is currently ongoing.

Reforms relating to network density and frequency, service level agreements (SLAs) and the product portfolio have also been implemented in the Poste-MED Programme Agreement, which includes the rules for the provision of the services falling within the Universal Postal Service, related quality standards and compensation covered by public funding. The 2015 Budget Law (Law No. 190/2014) made changes to the procedures followed in previous years, including: (i) a five-year duration for the Poste-MED Programme Agreement, instead of the previous three-year duration; (ii) a cap of Euro 262.4 million as the maximum annual amount of State compensation for the CUS, subject to verifications by AGCom; and (iii) the possibility of introducing measures with reference to the procedures and frequency of delivery of the Universal Postal Service. Law Decree 244/2016 (the so-called “*Mille Proroghe*” decree), converted with amendments into Law 19 of 27 February 2017, extended the disbursement of the subsidies for postal services introduced by the Interministerial Decree of 21 October 2010, for publishing houses and non-profit organisations registered in the Register of Communications Providers (ROC), and also reinstated, commencing from 1 January 2017, the government subsidies introduced by Law 46 of 27 February 2004. The decree also confirmed the subsidised tariffs for promotional mailings by non-profit organisations.

Publisher tariff subsidies relate to the amount to be received by Poste Italiane from the *Presidenza del Consiglio dei Ministri – Dipartimento dell’Editoria* (Cabinet Office – Publishing department) as compensation for the discounts applied to publishers and non-profit organisations when sending mail. The compensation is determined on the basis of the tariffs set out in the decree dated 21 October 2010 issued by the MED, together with the MEF, and Law Decree 63 of 18 May 2012, as converted into Law 103 of 16 July 2012. The subsidies for the years 2017-2019 were approved by the European Commission in July 2019 (Decision C(2019) 5255 final). In August 2019, the Italian Authorities started the procedure to notify the European Commission of the amount of State contributions to support the subsidies for editorial tariffs envisaged by the budget laws, for the years 2020-2026, in order to verify the compatibility with European legislation on State aid.

The duration of the compensation system is, currently, about six years (until April 2026) and the maximum total amount of compensation amounts to Euro 57.5 million for 2017, Euro 59.3 million for 2018, Euro 54.9 million for 2019, Euro 53.1 million for 2020, Euro 53.2 million for 2021, Euro 52.5 million for 2022, Euro 52.5 million for 2023 and Euro 52.5 million for 2024. The compensation accrued by Poste Italiane during 2017, for the discounts applied to publishers, amounts to Euro 42 million. Thanks to an increase in the tariffs set by AGCom, the total compensation amounts to Euro 62 million in 2018, Euro 59 million in 2019, Euro 53 million in 2020 and Euro 53 million in 2021.

Under the 2018 Budget Law, a new prescription regarding the Universal Postal Service has been introduced, allowing MED and Poste Italiane to introduce in the next Poste-MED Programme Agreement: (i) the provision of a specific delivery service for parcels up to 5 kg; (ii) the possibility for local authorities to widen the scope of postal services provided by Poste Italiane locally.

As of 22 May 2018, in addition to the Postal Directives, the Parent Company is also subject to the provisions of Regulation (EU) 2018/644 of the European Parliament and the Council on cross-border parcel delivery services. According to the new regulation, all parcel delivery providers have to provide to their national authorities information every year about the characteristics of their services and, where possible, a detailed description of their services, including general terms and conditions, claims and potential limitation of liability, turnover, number of employees, number of parcels handled, names of their subcontractors and any publicly accessible price list for parcel delivery services. Providers with fewer than 50 employees are exempted from such requirements, but national authorities can lower the threshold to 25 or include in this number the employees of a provider’s subcontractors.

In addition, by 31 January of each calendar year, all cross-border parcel delivery service providers falling within the threshold have to provide their national regulatory authority with the public list of tariffs applicable on 1 January for the delivery of single-piece postal items (other than items of correspondence), listed in a relevant annex. Furthermore, based on the above-mentioned public list, the national authorities are required to

identify tariffs that are subject to universal service obligations and which they consider to be unreasonably high. They are then required to objectively assess these tariffs, taking into account elements such as domestic and other relevant tariffs, bilateral volumes, costs and quality standards and, where possible, the likely impact on the individual and SME users, disabled persons and people living in remote areas. Abuses of dominant market position and specific price regulation under national legislation can also be considered. The exact methodology for such assessments will be determined by the European Commission. Furthermore, the new regulation requires that all traders concluding sales contracts falling within the scope of Directive 2011/83/EU (including cross-border delivery services) shall give more information to consumers about their delivery options, charges and complaints handling policies at the pre-contractual stage.

Since the beginning of 2019, the European Commission has provided a form for collecting the required information and has published the tariffs applied. Since the end of 2019, the European Commission has provided guidance to national regulators on the assessment of tariffs. In the meantime, EU Member States have started to define the rules on penalties applicable in the event of a breach of the regulation and the measures for their implementation.

Regarding the international legal framework, Poste Italiane is subject to the provisions of the Universal Postal Union Convention, which aims to harmonise the provision of postal services. The Universal Postal Union Convention is the official agreement of the Universal Postal Union (UPU) that establishes the provisions relating to the provision of parcel and mail delivery services on a transnational level. The Universal Postal Union Convention also defines the terminal dues (*i.e.*, the remuneration payable to the designated operators of the destination countries for the distribution and delivery of incoming cross-border postal items on their territory). More precisely, the designated postal operator of the destination country is compensated, based on its quality of service performance, by the competent postal operator of the sending country for the delivery of their cross-border postal items. At the EU Congress held extraordinarily in Geneva in 2019, the approved agreements, which entered into force on 1 January 2020, introduced a self-declared system aimed at ensuring sustainable cross-border postal exchanges, based on the exchange of electronic formats.

In 2021, the Parent Company also signed the LIRA-E (Letter-Post Interconnect Remuneration Agreement – Europe) and PIRA (Parcels Interconnect Remuneration Agreement) with other major European postal operators within the International Post Corporation. These agreements provide for a delivery tariff system based on the cost and quality of services offered by the designed postal operator in the country of destination.

Payments and Mobile

The regulatory framework for payment products and services is mainly represented by:

- Banking Act (*Decreto Legislativo N. 385/1993*);
- Banca d'Italia Supervisory Instructions on banking transparency (*Provvedimento della Banca d'Italia del 29 luglio 2009, Trasparenza delle operazioni e dei servizi bancari e finanziari. Correttezza delle relazioni tra intermediari e clienti*);
- Single Euro Payments Area (**SEPA**) regulation: Regulation (EU) No. 260/2012 establishing technical and business requirements for credit transfers and direct debits in Euro (SEPA Credit Transfer/SCT and SEPA Direct Debit/SDD) transposed into Italy with provision of the Bank of Italy of 12 February 2013 (*Provvedimento Banca d'Italia del 12/02/2013*); and
- European Directive 2015/2366 relating to payment services in the internal market (Payment Service Directive 2, so-called **PSD2**).

In particular, PSD2, that amended the former PSD Directive (2007/64/CE), has been implemented in Italy by Legislative Decree No. 218/2017. The creation of a “single payments area” in Europe has resulted in the restructuring and innovation of the payments market, enhanced by the implementation of PSD2, which has also increased the level of competition. The principal changes introduced by PSD2 involve:

- the opening up of the market to greater competition, resulting in the launch of new forms of payment and new market entrants (Payment Services Providers, PSPs), resulting in an improved offering; and
- the enhancement of protections for digital payments in terms of security, data protection and authentication.

As a provider of electronic communications services, PostePay offers specific premium rate voice and digital content services (including tickets and charity donations), charging customers via their prepaid credit or via their postpaid monthly bill.

Commencing from 2019, this activity is subject to an annual notification to the Bank of Italy, which includes the following information: (i) categories of services that can be purchased; (ii) total amount of payment transactions; (iii) description of the service provision; (iv) actual application of the limits; and (v) control measures under PSD2. The notification is then certified by an external advisor. Commencing from 2022, the annual notification obligation is no longer required.

During the Covid-19 pandemic, together with its host mobile network operators, PostePay implemented a number of measures to increase its mobile network capacity to cope with the surge in traffic demand, to guarantee service continuity to its customers and to fulfil AGCom recommendations on the matter. PostePay provides AGCom with periodic detailed reports on traffic trends.

On 18 December 2020, the European Commission adopted the Delegated Regulation supplementing Directive (EU) 2018/1972 by establishing a single EU-wide maximum mobile voice termination rate and a single EU-wide maximum fixed voice termination rate. Commencing from 1 July 2021, all EU operators implemented the new termination rates in their information systems. The maximum rates applicable in Italy from 1 July 2021 are Euro 0.67 cents per minute (plus VAT) for mobile termination and Euro 0.07 cents per minute (plus VAT) for land-line termination. From 1 January 2022, the mobile rate was reduced to Euro 0.55 cents per minute (plus VAT). PostePay has implemented the new rates according to EU requirements.

With the entry into force of the new EU Electronic Communications Services Code (EECC) on 15 May 2019, international calls and SMS within the EU/EEA were subject to a retail price cap. The new European Electronic Communications Code (EECC) provides a common EU regulatory framework for the electronic communications sector and it was adopted by the EU in December 2018. Member States had to transpose the new EECC into national law by 17 December 2020. Legislative Decree No. 207 of 8 November 2021 implemented the new EECC in Italy, delaying the formal deadline of two years from publication, due to the COVID-19 pandemic. AGCom has set up a working group with key stakeholders and operators to ensure the correct and uniform implementation of the requirements of the new Legislative Decree.

With the aim of launching its new fiber-based internet access services, PostePay signed specific wholesale agreements with fiber network infrastructure providers and notified the Ministry of Economic Development in July 2020 of a request containing all the necessary technical and operational details to update its current authorisation as an internet service provider. The application was successfully accepted by the Ministry of Economic Development and is expected to allow PostePay to provide internet access services based on FTTH (Fiber to the Home) or FTTC (Fiber to the Cabinet) technologies.

AGCom is also in charge of ensuring the enforcement of Regulation (EU) 2022/612 (**Roaming Regulation**), adopted on 6 April 2022, which extends the duration of the previous Roaming Regulation by an additional ten years. The Roaming Regulation confirms the so-called “Roam-Like-At-Home” principle, whereby the national tariff is applied for voice/SMS/data traffic generated in any of the EU Member States. It also reduces wholesale roaming charges for data, voice and SMS services and introduces new requirements to improve transparency, service quality and customer protection. Postepay, as well as other mobile operators, must comply with this regulation.

In general, AGCom has been granted the power to repress misleading advertising spread by any means: TV, newspapers, leaflets, posters, telemarketing, etc. In 2007, following the transposition of EC Directive No. 29/2005 into the Italian law system (through the Consumer Code), AGCM's powers in the area of consumer

protection were extended to include unfair commercial practices carried out by companies to the detriment of consumers. Postepay is subject to such legislation.

Financial Services

Presidential Decree 144 identifies and regulates the banking and financial services which can be offered by the Issuer through the BancoPosta business division. For further details, see “*Business of the Group – 3. Financial Services*” above.

Presidential Decree 144 provides that – to the extent applicable – certain provisions of: (i) the Banking Act and the Consolidated Financial Act; (ii) the relevant implementing regulations; and (iii) Law No. 287 of 10 October 1990 on competition protection (the **Italian Antitrust Law**), apply.

According to Law Decree No. 179 of 18 October 2012, as converted into Law No. 221 of 17 December 2012, amending Presidential Decree 144, BancoPosta activities now include: (i) the possibility to set up branches in European and non-European Union countries or to carry out mutually recognised services in another Member State on a cross-border basis with no establishment of branches or to operate in a non-European Union state with no establishment of branches; (ii) the possibility to promote and place financial services and products outside of offices; and (iii) the possibility to professionally trade in gold, on its own account or on behalf of third parties, according to the provisions of Law No. 7 of 17 January 2000.

On the contrary, the prohibition from engaging in lending activities *vis-à-vis* the public is still in force, and the peculiar characteristics of postal saving have been maintained. Postal saving consists of the gathering of funds through postal savings accounts and products carried out by Poste Italiane on behalf of CDP and is governed by the provisions of: (i) Law Decree No. 487 of 1 December 1993, as converted (with amendments) into Law No. 71 of 29 January 1994; (ii) Legislative Decree No. 284 of 30 July 1999; (iii) the Decree of the MEF dated 6 October 2004; and (iv) the relevant applicable provisions of the Banking Act.

According to Presidential Decree 144, the first and second-level legislative provisions applicable to BancoPosta are substantially the same as those which apply to Italian banks and other financial intermediaries.

As a result, BancoPosta is subject to, *inter alia*: (i) the transparency regime applicable to transactions and banking services as well as to the fairness rules in the relationship between intermediary and clients (*Trasparenza delle operazioni e dei servizi bancari e la correttezza delle relazioni tra intermediari e clienti*); (ii) the payment services framework; (iii) the anti-money laundering and anti-terrorism regime; and (iv) the out-of-court dispute resolution procedure (*Arbitrato Bancario e Finanziario*).

The key components of this system, set forth in the Anti-Money Laundering and Anti-Terrorism Guidelines approved by the Board of Directors on 5 November 2019, are as follows:

- know-your-customer checks (adequate assessment, monitoring of the potential risks and anti-terrorism control);
- record keeping (opening, changes to and closure of client relationships, as well as transactions exceeding set thresholds are recorded in the *Archivio Unico Informatico*) registration with the so-called single computerised database (*Archivio Unico Informatico*) of clients’ details and transactions on the basis of certain pre-determined thresholds;
- reporting of suspicious transactions (ongoing monitoring during the relationship, in order to detect any operations that are suspicious and promptly inform the Financial Intelligence Unit of the Bank of Italy (**FIU**));
- training (ongoing training of staff to ensure adequate knowledge of reference regulations and to spread a culture of control on the subject); and
- information exchange.

With reference to investment services (in particular, the investment advisory service combined with the receipt and transmission of orders and the placement of securities, funds and insurance-based investment products (I, III, V and multi-lines)), the regulatory framework and CONSOB supervision of Poste Italiane are the same as those applicable to other Italian intermediaries. Indeed, these activities are governed by Presidential Decree 144, which refers to the relevant sections of the Consolidated Financial Act, and the second-level implementing regulations (*inter alia*, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and the Bank of Italy Regulation published on 5 December 2019) apply to Poste Italiane's BancoPosta activities. Also in the context of the distribution of insurance contracts (life and damages), the activity is carried out pursuant to the same conditions applicable to other Italian intermediaries in terms of limits and legislative constraints.

Indeed, article 109 of Legislative Decree No. 209 of 7 September 2005 (the **Private Insurance Code**) regulates the single computerised register (*Registro Unico Informatico*) where all the authorised intermediaries are enrolled; the business division BancoPosta is enrolled in section (D) of this register.

IVASS Regulation No. 40 of 2 August 2018, which regulates in detail the conduct rules and the rules applicable to the provision of activities, applies to the BancoPosta division of Poste Italiane.

The applicable provisions compare Poste Italiane, in the context of BancoPosta's activities, to the other Italian intermediaries also in terms of controls, in particular, granting to Bank of Italy, CONSOB and IVASS certain powers of regulatory supervision, reporting and inspection.

The Bank of Italy's Regulation No. 285 of 17 December 2013 regulating the supervision of banks was amended on 27 May 2014 to introduce a new section solely applicable to BancoPosta RFC (the **Supervisory Regulation**). The Supervisory Regulation applies to BancoPosta RFC most of the regulations applicable to banks. For example, the sections applicable to BancoPosta RFC include:

- organisation and governance;
- management compensation and incentive schemes;
- internal control system and outsourcing;
- information systems and business continuity;
- prudential rules under CRR/CRD IV relating to risks and capital adequacy;
- planning of network evolution in Italy and abroad;
- conflicts of interest;
- information to be provided to the public; and
- off-premises (*door-to-door*) sale of BancoPosta products and services.

On the other hand, the relevant sections of the supervisory instructions for banks relating to lending are not applicable to BancoPosta RFC, which is prevented from engaging in lending activity (see "*Business of the Group – 3. Financial Services*" above).

The Supervisory Regulation imposes significant obligations on Poste Italiane in order to ensure the organisation, accounting and asset segregation of BancoPosta's activities.

In addition, specific approval from the Bank of Italy is required for: (i) amendments to the Issuer's By-laws that have an impact on BancoPosta's activities; (ii) amendments to the BancoPosta Resolution or the BancoPosta Regulations that affect the management and control of BancoPosta RFC or the contribution of

assets by Poste Italiane; and (iii) any internal transfer of assets between Group companies and BancoPosta RFC, worth more than 10% of BancoPosta RFC's own funds at that time.

Insurance Services

The insurance business of the Group is carried out by the Poste Vita Group and is subject to the supervision and regulation of IVASS. Poste Vita operates in the life insurance business while Poste Assicura (wholly owned by Poste Vita) operates in the non-life insurance business.

The main rules and principles applicable to insurance services, information duties and relationships with clients are set forth by the Private Insurance Code and by the implementing provisions thereof enacted by IVASS.

Moreover, specific provisions of the IVASS regulation apply to insurance-based investment products (*prodotti di investimento assicurativi di ramo I, ramo III e ramo V*), while certain provisions of the Consolidated Financial Act attribute to CONSOB the powers relating to compliance with the obligations relating to the publication, form, content and transmission to the Authority of the Key Information Document (KID), prepared in accordance with the provisions of the PRIIPs Regulation. Pursuant to the Consolidated Financial Act, the supervisory, investigative and sanctioning powers provided by the PRIIPs Regulation are attributed to IVASS in relation to the product conception and distribution activities carried out directly by insurance companies (or through agents, insurance brokers, etc.) and to CONSOB in relation to the distribution of the insurance-based investment products through section D of the RUI (Register of insurance and reinsurance intermediaries).

In addition, Poste Vita deals with private pensions products. In this respect, the provisions of Legislative Decree No. 252 of 5 December 2005 alongside the implementing regulations issued by COVIP apply to supplementary private pension schemes.

IVASS is responsible for: (i) ensuring the sound and prudent management of insurance and reinsurance undertakings, as well as the transparency and fairness of entities operating in the insurance sector; and (ii) the prudential supervision of the insurance sector, overseeing the technical, financial and capital adequacy requirements applicable to insurance undertakings, with particular reference to the technical provisions to be set aside on the basis of the commitments made by insurance undertakings to their customers.

On 1 January 2016, Directive 2009/138/EC (the **Solvency II Directive**) came into force, as amended by Directive 2014/51/EU and integrated by EU Regulation 2015/35 issued by the European Commission on 10 October 2014 (the **Delegated Regulation**) and by other European implementing regulations providing for technical standards with regard to, among others: (i) the supervisory approval procedures for company-specific parameters; (ii) ancillary own funds; (iii) matching adjustment; (iv) special purpose vehicles; (v) internal models; and (vi) joint decision on group internal models (the **Implementing Regulations**). Furthermore, the European Insurance and Occupational Pensions Authority (**EIOPA**) has issued several guidelines addressed to the national supervisory authorities (*i.e.*, IVASS) aimed at: (i) simplifying the process of maintaining compliance with the provisions of the Delegated Regulation and the Implementing Regulations; and (ii) providing clarity to insurance companies on what supervisors' expectations are.

The Solvency II Directive was implemented in Italy by Legislative Decree No. 74/2015, which amended the Private Insurance Code.

Starting from 2016, following entry into force of the Solvency II Directive, IVASS issued a number of regulations, implementing the Solvency II Directive's first, second and third pillar requirements. These pillars revolve around: (i) capital requirements (Pillar I); (ii) requirements regarding the corporate governance of insurance companies – with specific attention to the control system (Pillar II); and (iii) information required to be disclosed to the supervisory authorities and to the market (Pillar III).

In the course of its business, Poste Vita may be affected by the requirements of the regulations applicable from time to time, including solvency requirements.

Management

The governance model adopted by Poste Italiane is based on the traditional separation between the functions of the Board of Directors and those of the Board of Statutory Auditors (as defined below). The Issuer's accounts are audited by an independent auditing firm. Poste Italiane's financial management is supervised by the Italian Court of Auditors (*Corte dei Conti*) (Law No. 259 of 21 March 1958). The relevant supervision is exercised by a magistrate appointed by the *Corte dei Conti* (who attends the meetings of the Board of Directors and the Board of Statutory Auditors).

The Board of Directors and the Board of Statutory Auditors, with their respective Chairpersons, are appointed by the shareholders' General Meeting, which also appoints the independent auditors and determines their remuneration. The General Meeting also approves the annual financial statements and the remuneration policy. The General Meeting also decides on plans for the purchase and sale of the Issuer's own shares, stock-based incentive plans for managers, amendments to the Issuer's by-laws (other than those that merely constitute compliance with legal provisions) and the issuance of convertible corporate bonds.

Board of Directors

The Board of Directors consists of nine members and usually meets once a month to examine and vote on resolutions concerning the operating performance, results of operations, proposals concerning the organisational structure and strategically important transactions.

Of the nine members of the Board of Directors, eight are non-executive and six meet the requirements to be considered independent directors, in accordance with the new Italian Corporate Governance Code (as defined below), as well as according to applicable law.

In compliance with the provisions of the Italian Civil Code, the Board of Directors has delegated certain executive powers to the Chief Executive Officer (**CEO**) and established five Board committees (see below) with advisory and recommendation functions: (i) the Control and Risk Committee; (ii) the Remuneration Committee; (iii) the Nominations and Corporate Governance Committee; (iv) the Related and Connected Parties Committee; and (v) the Sustainability Committee.

The following is the current list of the members of the Board of Directors of the Issuer appointed on 15 May 2020:

Name	Position	Main activities outside the Group
Maria Bianca Farina	Chairwoman of the Board of Directors (since 27 April 2017 and, lastly, since 15 May 2020)	<p>Chairwoman of ANIA and Chair of the Foundation ANIA (Italian association of insurance firms)</p> <p>Vice President of the FEBAF Board of Directors (Italian Federation of Banks, Insurance and Finance)</p> <p>Member of the COMI (Market Operators and Investors Committee)</p> <p>Member of the Advisory Board of the Biomedical University Foundation</p> <p>Member of the Board of Directors of Ospedale Bambino Gesù</p> <p>Member of the Board of Directors of “Save the Children” Onlus, member of the Advisory Board of Onlus Frontier Healthcare and member of the Honorary Committee of the Leonardo Vaccari Institute for the neuro-physical rehabilitation and social inclusion of persons with disabilities</p> <p>Member of the advisory board of the Scuola di Formazione Politica</p> <p>Member of the Board of Governors of AIF (the Holy See’s Financial Information Authority), appointed by Pope Francis</p>
Matteo Del Fante	CEO and General Manager (since 27 April 2017 and, lastly, since 15 May 2020)	Vice-Chairman of ASSONIME (Association of Italian Joint Stock Companies)

Giovanni Azzone	Director (since 24 May 2016 and, lastly, since 15 May 2020)	<p>Full-time professor in “Business and strategic decisions” at the Polytechnic University of Milan</p> <p>Chairman of Arexpo S.p.A.</p> <p>Chairman of Spezia & Carrara Cruise Terminal S.r.l.</p> <p>Member of the AssoConsult-Confindustria Ethics Committee</p> <p>Member of the scientific council of the Renzo Piano Foundation</p> <p>Member of the steering committee of Fondazione Beic (Biblioteca Europea di Informazione e Cultura)</p> <p>President of the Board of the Community Foundation Milano</p> <p>Member of the scientific committee of NGInfra</p>
Bernardo De Stasio	Director (since 15 May 2020)	<p>Lawyer licensed to practise in the Italian Supreme Court</p> <p>Co-owner of Law Firm ABD</p>
Daniela Favrin	Director (since 15 May 2020)	<p>Manager of Fincantieri S.p.A. in charge of strategic projects financed with public funds</p> <p>Member of the board of directors of several companies within the Fincantieri industrial group</p>
Davide Iacovoni	Director (since 15 May 2020)	<p>General Manager of Public Debt at the Treasury Department of the Ministry of Economy and Finance</p> <p>Contract professor at the University of Padua for the “Public Economics and Financial Markets” course</p>

Mimi Kung	Director (since 24 May 2016 and, lastly, since 15 May 2020)	Member of the Board of Prysmian S.p.A. Member of the Board and member of the nomination committee and risk committee of Bank of Ireland UK
Elisabetta Lunati	Director (since 15 May 2020)	Member of the Women's Entrepreneurship Committee at the Chamber of Commerce of Milan, Monza Brianza and Lodi Vice-Chairman of the Board of Directors of the Conciliatore Bancario Finanziario in Rome and Chairman of the Steering Committee of this organisation Member of the Board of Directors of Intesa Sanpaolo Casa
Roberto Rossi	Director (since 27 April 2017 and, lastly, since 15 May 2020)	Director of Palletways Italia S.p.A. Chairman of Comité Stratégique and Senior Advisor of Industrie 6-24 Holding

The business address of each of the members of the Board of Directors is the Issuer's registered office.

The CEO and the Chairwoman have completely separate roles and both have the authority to legally represent the Issuer; the CEO represents the Issuer for matters within his authority.

The Chairwoman's role is to lead and oversee the Board of Directors, exercising the powers granted by the Issuer's By-laws and those conferred upon her by the Board of Directors' resolution of 15 May 2020.

The CEO and General Manager, to whom all key departments report, has full powers for the administration of the Issuer across the organisational structure, with the exception of the following powers reserved to the Board of Directors, pursuant to the resolutions adopted by the Board of Directors on 15 May 2020, as well as pursuant to certain provisions of the Issuer's By-laws:

- orders exceeding Euro 50,000,000 for procurement, contracting and services;
- expense-generating contracts and agreements involving commitments exceeding Euro 50,000,000;
- definition of the corporate governance system within the company and the Group, and establishing and defining the functions of Board subcommittees, to which it appoints members and for which it approves organizational rules;
- definition of the Parent Company's organisational structure, upon a proposal by the CEO, who is responsible for its implementation;
- acquisitions, swaps and disposals of real estate with a value of more than Euro 5,000,000;
- approval of the rules governing supplies, subcontracts, services and sales;

- upon the proposal of the CEO, and subject to the favourable opinion of the Board of Statutory Auditors, appoint and revoke the officer responsible for preparing the Issuer's accounting documents (*funzionario preposto alla redazione dei documenti contabili societari*), granting him/her adequate powers and resources;
- upon the proposal of the CEO, appoint, replace and revoke the directors and statutory auditors of the listed companies in which Poste Italiane holds an equity investment which do not fall within the scope of consolidation;
- upon the proposal of the CEO, appoint and dismiss the head of the BancoPosta unit and take decisions on the remuneration of this role;
- appoint and dismiss the head of the internal control function, following a joint proposal by the Chairwoman and the CEO, having consulted the Board of Statutory Auditors, and make decisions regarding his/her remuneration; and
- examination and approval of the Parent Company's transactions of strategic, economic, asset-linked or financial relevance (**Transactions of Significant Relevance**).

In line with best practice and recommendations set forth in the Italian Corporate Governance Code (as defined below), the Board of Directors established the following general criteria for identifying Transactions of Significant Relevance. These are:

- transactions exceeding Euro 50,000,000 that concern: (a) the acquisition or disposal of companies or going concerns, assets or other activities; (b) the acquisition or disposal of equity interests, including by means of capital increases; (c) the establishment of companies and, in any event, the entering into partnerships or strategic alliances lasting more than five years, with the exclusion of temporary business associations; (d) the granting of loans or security /personal guarantees; (e) the taking out of loans and credit facilities, as well as other expense-generating credit transactions; (f) the execution of transactions;
- the issue of financial instruments;
- merger or demerger transactions in which the total assets of the company being acquired or the assets being demerged are equal to or greater than Euro 50,000,000; and
- transactions that require the Parent Company to make public disclosures, prepared in accordance with CONSOB regulations.

Transactions carried out exclusively with or between subsidiaries of Poste Italiane do not qualify as Transactions of Significant Relevance, without prejudice to the Board of Directors' responsibility for transactions that fall within its remit by law and pursuant to its by-laws. Consistent with the Group's operating practices, and without prejudice to the management autonomy of each subsidiary, the Parent Company's Board of Directors undertakes to carry out a prior review of the Transactions of Significant Relevance of its subsidiaries.

With reference to Transactions of Significant Relevance, Poste Italiane's executive bodies provide the Board of Directors with adequate information on Poste Italiane's interest in carrying out the transaction, including through subsidiaries. This exercise includes reporting on the feasibility, financial viability and compliance with Poste Italiane's strategic plans. The executive bodies of the Parent Company ensure that the directors of the subsidiaries are aware of the criteria identifying Transactions of Significant Relevance.

In accordance with the recommendations of the Italian Corporate Governance Code (as defined below), as well as the provisions of the Bank of Italy's Supervisory Regulations applicable to Poste Italiane in the exercise of BancoPosta's activities, since September 2015 the Board of Directors has set up: (i) a committee dedicated to internal control and risk issues (currently, the Control and Risk Committee), (ii) a Remuneration Committee and (iii) a Nomination Committee, to which powers on corporate governance matters were subsequently attributed (currently, the Nominations and Corporate Governance Committee).

In October 2016, the Board of Directors also established an internal “Related and Connected Parties Committee”, in charge of performing the functions provided for by the reference regulations issued by CONSOB and the Bank of Italy. Finally, in May 2020, the Board of Directors set up a new “Sustainability Committee”, which is assigned specific tasks on the subject.

The five Board committees currently comprise the following members:

- **Control and Risk Committee:** Bernardo De Stasio (Chairman), Davide Iacovoni, Roberto Rossi;
- **Remuneration Committee:** Giovanni Azzone (Chairman), Daniela Favrin, Elisabetta Lunati;
- **Nominations and Corporate Governance Committee:** Giovanni Azzone (Chairman), Bernardo de Stasio, Mimi Kung;
- **Related and Associated Parties Committee:** Elisabetta Lunati (Chairman), Bernardo De Stasio, Mimi Kung; and
- **Sustainability Committee:** Daniela Favrin (Chairman), Davide Iacovoni, Roberto Rossi.

Board of Statutory Auditors

The Board of Statutory Auditors comprises three statutory auditors (as well as three alternate auditors) appointed by the shareholders' Annual General Meeting of the Parent Company.

Pursuant to Article 2403 of the Italian Civil Code, the Board of Statutory Auditors verifies compliance with the law, the By-laws and the correct principles of corporate governance, also verifying the adequacy of the organisational structure and the administrative and accounting systems adopted by the Issuer and their functionality.

The list of auditors appointed as of 28 May 2022 is shown below:

Name	Position	Main activities outside the Group
Mauro Lonardo	Chairman of the Board of Statutory Auditors (since 24 May 2016 and, lastly, since 28 May 2022)	Member of the Board of Statutory Auditors of Arkad S.p.A. Sole Auditor of Uniholding s.r.l. RSM Italy accounting Roma S.r.l. and ISD Ecole Francais Internationale de Rome S.r.l. Chairman of the Board of Statutory Auditors of Unicompany S.p.A. and Poste Air Cargo S.p.A. Alternate Auditor of Harsco Environment S.r.l., Elof Italy Management Sicaf S.p.A.
Serena Gatteschi	Statutory Auditor (since 28 May 2022)	Member of the Supervisory Body pursuant to Legislative Decree No. 231/01 of Poste Assicura S.p.A.

		<p>Member of the Supervisory Body pursuant to Legislative Decree No. 231/01 of AdMoving S.p.A., EsseDiEsse S.p.A. and Giove Clear S.r.l. (all of which are part of the Autostrade per l'Italia group)</p> <p>Statutory Auditor of 1AR S.p.A., Bertolotti S.p.A., and Ki Point S.p.A. and Alternate Auditor of various other companies, including ITA S.p.A., Sisal S.p.A. and Nexi S.p.A.</p>
Gianluigi Fiorendi	Statutory Auditor (since 28 May 2022)	<p>Chairman of the Board of Statutory Auditors of S.a.c.b.o. S.p.A. Milan Bergamo International Airport. Chairman of the Board of Statutory Auditors of Brf Property S.p.A.</p> <p>Chairman of the Board of Statutory Auditors of Piccole Figlie Hospital S.r.l.</p> <p>Chairman of the Board of Statutory Auditors of Urai S.p.A.</p> <p>Chairman of the Board of Statutory Auditors of Invin S.r.l.</p> <p>Chairman of the Board of Statutory Auditors of Lifenet S.r.l.</p> <p>Chairman of the Board of Statutory Auditors of Ict Consulting S.p.A.</p> <p>Chairman of the Board of Statutory Auditors of Fondoprofessionisti</p> <p>Member of the Board of Statutory Auditors of Centro Medico Privato Lazzaro Spallanzani S.r.l.</p> <p>Member of the Board of Statutory Auditors of Eunomia S.p.A.</p> <p>Member of the Board of Statutory Auditors of Iniziative Immobiliari S.p.A.</p> <p>Member of the Board of Statutory Auditors of Omni Re S.p.A.</p> <p>Member of the Board of Statutory Auditors of Selectra S.p.A.</p>

		<p>Member of the Board of Directors of Iep Holding S.r.l.</p> <p>Member of the Board of Directors of FM di Mariangela Mosconi & C. Snc.</p> <p>Member of the Board of Directors of Infi Monti S.p.A.</p> <p>Liquidator of Lombardi e Associati i.l.</p>
Francesco Fallacara	Alternate Auditor (since 28 May 2022)	<p>Member of the Board of Directors of ArgoGlobal Assicurazioni S.p.A.</p> <p>Chairman of the Board of Statutory Auditors of Tim S.p.A., ATAC S.p.A., TIM Retail S.r.l., Maire Tecnimont S.p.A.</p> <p>Statutory Auditor of Eni Progetti S.p.A, Nextchem S.r.l., Cartiere di Guarcino S.p.A, GSD Sistemi e Servizi S.C.A.R.L., Casa di Cura La Madonnina S.p.A., Eni Natural Energies S.p.A.</p> <p>Alternate Auditor of Banca Consulia S.p.A, Capital Shuttle S.p.A., Creval S.p.A. Gruppo Bancario Credito Valtellinese, Banca Monte dei Paschi di Siena S.p.A., ATLANTIA S.p.A.</p> <p>Chairman of the Supervisory Body pursuant to Legislative Decree No. 231/01 of Apaform Associazione Professionale ASFOR di formatori di Management, Asfor Associazione Italiana per la formazione Manageriale</p> <p>Sole auditor of GB Trucks Socio Unico S.r.l, SIBI S.r.l., I Casali del Pino S.r.l., Fondazione Maire Tecnimont</p> <p>Sole Auditor and Statutory Auditor of Ro.Co. Edil Romana Costruzioni Edilizie S.r.l.</p> <p>Statutory Auditor of Eni Progetti S.p.A, Nextchem S.r.l., Cartiere di Guarcino S.p.A, GSD SISTEMI E SERVIZI S.C.A.R.L., CASA DI CURA LA MADONNINA S.p.A, ENI NATURAL ENERGIES S.p.A.</p> <p>Alternate Auditor of Banca Consulia S.p.A, Capital Shuttle S.p.A., Creval S.p.A. Gruppo</p>

		<p>Bancario Credito Valtellinese, Banca Monte dei Paschi di Siena S.p.A., ATLANTIA S.p.A.</p> <p>Chairman of the Supervisory Body pursuant to Legislative Decree No. 231/01 of Apaform Associazione Professionale ASFOR di formatori di Management, Asfor Associazione Italiana per la formazione Manageriale</p> <p>Sole auditor of Hirafilem S.r.l., GB Trucks Socio Unico S.r.l., SIBI S.r.l., I Casali del Pino S.r.l., Fondazione Maire Tecnimont</p> <p>Sole Auditor and Statutory Auditor of Ro.Co. Edil Romana Costruzioni Edilizie S.r.l.</p>
Sonia Ferrero	Alternate Auditor (since 28 May 2022)	<p>Chairman of the Board of Statutory Auditors of Geox S.p.A.</p> <p>Statutory Auditor of Atlantia S.p.A., IREN S.p.A., Valvitalia S.p.A.</p> <p>Member of the Supervisory Body pursuant to Legislative Decree No. 231/01 of Atlantia S.p.A.</p>
Antonio Santi	Alternate Auditor (since 27 April 2017 and, lastly, since 28 May 2022)	<p>Member of the Board of Enav S.p.A., Adu Consulting S.r.l., Studio Laghi S.r.l.</p> <p>Sole Administrator of Italcare Capital Partners S.r.l.</p> <p>Chairman of the Board of Statutory Auditors of Recordati S.p.A.</p> <p>Member of the Board of Statutory Auditors of Acea Liquidation and S.r.l. – Acea Group</p> <p>Chairman of the Board of Statutory Auditors of F.A.I. Service S.COOP</p> <p>Chairman of the Board of Statutory Auditors of C-Zone S.p.A in liquidation</p> <p>Chairman of the Board of Statutory Auditors of CQS Holding in liquidation</p> <p>Chairman of the Board of Statutory Auditors of Ktesios Holding S.p.A. in liquidation</p>

		<p>Chairman of the Board of Statutory Auditors of LKTS S.p.A. in liquidation.</p> <p>Chairman of the Supervisory Body pursuant to Legislative Decree No. 231/01 of F.A.I. Service S.COOP</p>
--	--	--

The business address of each of the members of the Board of Statutory Auditors is the Issuer's registered office.

External auditors

The auditing firm Deloitte & Touche S.p.A. was appointed on 28 May 2019 by the shareholders' General Meeting, upon proposal of the Board of Statutory Auditors, to audit the Issuer's financial statements for the period 2020-2028.

The appointment was made in accordance with Legislative Decree 39/2010.

Conflicts of interest

To the best of the Issuer's knowledge, there are no potential conflicts of interest between the duties of the members of the Issuer's administrative, management or supervisory bodies and their private interests or other duties.

Third-party information

As far as the Issuer is aware, third party information has been accurately reproduced and, as far as it is possible to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Litigation

Due to the significant number of clients, suppliers and employees, the Group is involved in certain lawsuits for the compensation of damages due to:

- alleged breaches of contracts, by clients and suppliers;
- interpretation of employment agreements' rules, by employees (in particular by fixed-term employees requiring the conversion of their contracts into permanent contracts); and
- interpretation of contractual clauses, by suppliers.

The Group made provisions for disputes with third parties of Euro 248 million and with staff of Euro 44 million as at 31 December 2021 for all potential liabilities arising from the disputes that are currently pending.

The determination of the provisions involves the use of estimates based on the current knowledge of the factors that may change over time, potentially resulting in outcomes that may be significantly different from those taken into account when preparing the consolidated financial statements. The estimates and the assumptions are periodically reviewed and the effects of any variation thereof are reflected in the relevant consolidated financial statements for the financial period during which such review of estimates is carried out (in the event such review only impacts the current financial period), or for multiple financial periods (in the event such review impacts both the current and subsequent financial periods) (see Section 2.4 of the consolidated financial statements for the year ended 31 December 2021).

Pending proceedings and relations with relevant supervisory authorities

The paragraphs below describe the most material legal proceedings in which the Group is involved because of the value of the claim or the potential relevance thereof for other reasons.

Italian Competition Authority (AGCM)

Unfair commercial practices

- **PS11936 – PosteMobile – Debiting of customers following the expiry of periodic payment offers**

On 14 October 2021, AGCM (i) initiated proceedings against PostePay pursuant to Article 27, paragraph 3, of Legislative Decree No. 206 of 6 September 2005, as amended and supplemented (**Consumer Code**), and also pursuant to Article 6 of the Regulation on investigation procedures concerning misleading and comparative advertising, unfair business practices, breach of consumer rights in contracts, breach of the prohibition on discrimination and unfair terms (Regulation), adopted by AGCM with a resolution of 1 April 2015 and (ii) sent a simultaneous request for information pursuant to Article 12(1) of such Regulation.

In brief, AGCM, on the basis of a number of reports from users of PosteMobile services, challenged the unrequested activation of an alleged service whereby outgoing traffic (voice, SMS and data) continued when the credit on the user's rechargeable SIM card ran-out or was insufficient at the time of renewal of the periodic payment offer. PostePay responded to AGCM communication clarifying that no continuity service is provided as part of PosteMobile offerings.

At the end of the investigation phase of the proceedings, AGCM notified PostePay with the final ruling No. 30286, by means of which AGCM ascertained the infringement and consequently condemned PostePay to pay a fine of €1,800,000.00, then reduced to €1,500,000.00, in consideration of the mitigating circumstance "relating to some measures taken by the professional to remove the conduct".

PostePay decided to challenge measure No. 30286 of 8 August 2022, issued by AGCM, before the Administrative Court for Lazio – Rome. The appeal, which was filed on 28 October 2022, is aimed at obtaining (i) as a preliminary consideration, the annulment of such measure by AGCM, or (ii) as an alternative, the annulment of the penalty imposed by AGCM, or (iii) by way of further alternative, the reduction thereof to the minimum amount provided by law.

- **"PS11287 - Interest-bearing Postal Certificates in paper form"**

On 24 March 2022, AGCM initiated the proceeding PS11287 against Poste Italiane for alleged unfair commercial practices regarding information on the maturity and time-barring terms of Interest-bearing Postal Certificates in paper form. The claims brought against Poste Italiane substantiated in that allegedly: (i) during the placement of such Postal Certificates, Poste Italiane failed to indicate their maturity date and/or the prescription date thereof, as well as failed to provide information regarding the legal consequences arising from the expiration of the aforementioned terms and/or provided such information using confusing and deceptive wording; (ii) in the management of certificates that have expired in the last five years, Poste failed to inform the holders of Postal Certificates close to the expiration of the time-barring period, of the expiration of such period and the legal consequences arising in the event of failure to request the redemption of the Postal Certificates within such period. On 13 April 2022, Poste Italiane submitted a defense brief to AGCM in which, in addition to responding to the request for information contained in the opening act, it claimed its role as a mere placer of the Postal Certificates, it highlighted the nature of such Postal Certificates and it maintained the inapplicability of the consumer protection rules to the case at hand. On 30 August 2022, AGCM served a notice on investigative findings (*comunicazione delle risultanze istruttorie*) to Poste Italiane, confirming, in essence, the objections raised in the initial proceeding. On 19 September 2022, Poste Italiane filed its final defense statement accompanied by the initiatives put in place, on a voluntary basis, aimed at eliminating AGCM's concerns, without prejudice to the objections put forward in the proceeding. On 4 November 2022,

AGCM notified Poste Italiane of the final decision imposing an administrative penalty of Euro 1.4 million to Poste Italiane. This amount was so quantified taking into account the actions put in place by Poste Italiane on a voluntary basis, which were deemed appropriate to improve the information provided to consumers, therefore including a reduction of 60% on the amount of the penalty. AGCM's decision will be appealed by Poste Italiane before the Regional Administrative Court.

Italian Communications Authority (AGCom)

On 12 November 2021, with Notice of Objection No. 13/21/DSP, AGCom initiated proceedings against Poste Italiane for failure to comply with the quality objectives relating to the products forming part of the Universal Postal Service for the year 2020. The notice identified five objections. In response to the aforementioned notice of objection, Poste Italiane submitted its defence briefs on 13 December 2021, arguing that the Covid-19 pandemic should be considered as a force majeure event with respect to the achievement of such quality objectives. The hearing took place on 21 December 2021. With Resolution No. 104/22/CONS, notified to Poste Italiane on 22 April 2022, AGCom dismissed the sanction proceedings, accepting the arguments expressed by Poste Italiane. In the same Resolution, AGCom stated that, for the years 2021 and 2022, since the element of unpredictability caused by the Covid-19 pandemic has disappeared, it will be Poste Italiane's burden to prove that it has introduced every organisational precaution possible to ensure compliance with its Universal Postal Service quality obligations. On 10 June 2022, the "Verification on the quality of postal services - results for 2021" was published on AGCom's website and failures in relation to five quality objectives were reported. The commencement of sanction proceedings in connection thereto is awaited.

Italian National Anti-corruption Authority (ANAC)

On 28 September 2015, ANAC notified Poste Italiane that it was launching an investigation to verify the administrative procedures carried out regarding the upgrade and restyling work at the Sesto Fiorentino sorting centre (FI). On 27 July 2018, ANAC's Works Supervision Office notified to Poste Italiane Resolution No. 553 of 27 April 2017 in which the Authority identified, among other things, certain conduct that did not comply with public procurement rules by the parties involved in the proceedings (i.e., the person in charge of the proceedings, the works supervisor and the test supervisor), forwarding the resolution to the Public Prosecutor's Office for any follow-up action within its jurisdiction. Moreover, criminal proceedings are pending in relation to the same facts before the Public Prosecutor's Office of Perugia, where Poste Italiane has been identified as an affected party.

Italian Social Security Institute (INPS)

From 2012 until 30 September 2022, INPS office at Genoa Ponente issued Postel with a number of payment orders, for a total amount of €26,819,000, demanding payment of social security contributions funding income support, extraordinary income support, unemployment benefit and family benefits not covered by the contributions paid to IPOST (*Istituto Postelegrafonici*, the former social security institute dedicated to the Group personnel). Appeals against such payment orders were brought by Postel before the Court of Genoa. In support of Postel's arguments, the Ministry of Labour stated in a memo issued on 20 October 2016 that the social security contributions system applicable to Poste Italiane also applies to all the other Group companies, with the sole exception of those that provide air transport, banking and express delivery services.

Some of the judgements have already been issued by the Court of Genoa and, on their outcome, against payment notices totalling €13.2 million, the Parent Company was ordered to pay only the single family allowance contribution (*Contributo Unico Assegni Familiari - CUAFF*) of 0.68%, less the family allowances paid by Postel to employees, amounting to €0.3 million. Pursuant to the judgements, nothing was deemed to be due under the wage compensation fund (*Cassa Integrazione Guadagni*) (**CIG**), the extraordinary wage compensation fund (*Cassa Integrazione Guadagni Straordinaria*) (**CIGS**) and mobility, being Postel at the time wholly owned by the State through Poste Italiane and therefore included among the industrial enterprises of the State for which the law excludes the obligation to pay redundancy and mobility. INPS filed an appeal

for the first tranche of payment orders made (€9.16 million), challenging the merits of the judgement in first degree and the sum which Poste Italiane was ordered to pay. In INPS's view, the rate applicable for contributions for family benefits, in line with recent guidance issued by INPS, should have been 4.40% in place of the 0.68% applied in the payment notices involved in the court proceedings. In two judgements dated 28 December 2018, the Court of Appeal of Genoa confirmed in full the first degree's judgements, rejecting INPS's appeals. INPS filed an appeal with the Italian Court of Cassation which was notified to Postel on 28 June 2019. Postel appeared before the Court of Cassation, but the proceedings are still pending.

In a judgement dated 1 February 2021, the Court of Genoa cancelled the payment notices (totalling approximately €0.64 million) for the period from December 2012 to April 2015 (excluding July 2014) and ordered INPS to pay Postel the sum of €0.06 million plus interest. INPS appealed against that ruling. With judgment No. 8 of 2022, published on 14 January 2022, the Court of Appeal of Genoa rejected INPS's appeal. INPS filed an appeal before the Italian Court of Cassation notified to Postel on 12 July 2022. Postel appeared before the court by notification and filing of a defence and cross appeal to the Italian Court of Cassation. As of the date of this Base Prospectus, the proceedings are still pending.

Lastly, with the rulings of 26 May 2021, the Court of Genoa cancelled the payment notices (for a total of approximately €3.1 million) for certain periods between February 2011 and January 2017 and ordered the payment of the lower amounts restated as a total of €0.17 million. Postel appealed against the above-mentioned ruling. With judgments No. 122 of 18 May 2022 and No. 131 of 6 June 2022, the Court of Appeal of Genoa rejected the appeals filed by Postel, as well as the incidental appeals presented by INPS, confirming the first degree's ruling. As at the date of this Base Prospectus, the terms for appealing against the rulings are still pending.

Other cases, relating to the appeals lodged by Postel against the payment orders for the period from May 2009 to May 2021, are still pending and at a preliminary stage. In particular:

- On 19 September 2019, the Court of Genoa cancelled the payment notices by INPS and condemned Poste Italiane to pay the CUAF within the limits of the differential deriving from the sums already paid to employees by way of family allowances, based on the findings of the expert witness. INPS filed an appeal and Postel appeared before the court by notification of a defense brief and cross appeal. With ruling dated 7 May 2021, the Court of Appeal of Genoa rejected the appeal lodged by INPS, as well as the cross-appeal filed by Poste Italiane, confirming the ruling in first degree. On 21 January 2022, INPS notified to Postel the appeal to the Italian Court of Cassation and Postel appeared before the court, by also notifying and filing a counter-appeal and an incidental appeal to the Italian Court of Cassation;
- On 29 December 2020, the Court of Genoa cancelled the payment notice by INPS, declaring the non-debt of the sums referred to in the notice subject to appeal by Poste Italiane. On 29 July 2021, INPS filed an appeal and Postel appeared before the court, by also notifying a defense brief and a cross appeal. With ruling No. 201 of 20 September 2022, the Court of Appeal of Genoa partially accepted the appeal lodged by INPS, condemning Postel to pay the amount indicated in INPS's payment notice. The terms for appealing against the ruling are still pending.

Moreover, between 2019 and 2020, INPS requested Postel to determine correctly its contributions due in relation to staff from September 2014 to September 2019 at the non-harmonised CUAF rate of 4.40% of taxable income for social security purposes. Postel acted differently depending on the period in question:

- for October, November and December 2019, Postel carried out an adjustment of the payment of the CUAF contribution in the amount of 4.40%, without prejudice to request for reimbursement in court;
- for the previous period from September 2014 to the end of 2015, Postel appealed through administrative proceedings against the payment notices received from INPS including a request for payment of 4.40% of the CUAF;

- for the year 2018 and the first 7 months of 2019, two payment notices were served with the request for payment of the CUAFF at 0.68% and minor contributions CIG and CIGS to Postel, which it paid, without prejudice to request for reimbursement pending the appeal before the Italian Court of Cassation;
- with effect from January 2020, Postel pays the CUAFF rate to INPS at 0.68% instead of 4.40%, as a result of the provisions of art. 11, paragraph 5 *bis* of Law Decree No. 162 of 2019, converted into Law No. 8 of 28 February 2020.

Taking into account the judgements, the reasons given for the judgements and the latest appeals lodged by INPS, Poste Italiane adjusted its provisions for risks and charges, also on the basis of the opinion expressed by its legal advisors. Provisions set aside pursuant to the interim financial statements as at 30 September 2022 amount to €12.34 million.

Bank of Italy

On 14 March 2022, the Bank of Italy launched an inspection of BancoPosta RFC aimed at assessing its profitability and business model as well as the governance and control systems and the management of interest rate risk, including the internal modelling in connection thereto and the new business activity relating to tax credits and the risks associated thereto. The inspection was completed on 15 July 2022. As a result, on 30 November 2022, the relevant report, which included certain findings, was delivered to Poste Italiane. On 1 December 2022, with reference to one of the findings included in such report, the Bank of Italy raised certain objections. Poste Italiane will take steps, within the terms, to formulate (i) its own considerations regarding the findings included in the report (also giving notice of the resulting measures that the Parent Company intends to implement), and (ii) with respect to the objections raised, its defensive counterclaims in support of the correctness of its actions.

On 20 July 2022, the Bank of Italy provided BancoPosta and PostePay with information on how to manage funds received from EMI for the issuance of electronic money. The Bank of Italy's Supervisory Rules for EMI dated 22 February 2022 stipulate that such funds may be deposited with a bank authorised to operate in Italy and may be invested in qualified debt securities or in units of harmonised mutual investment funds having certain features. Since the establishment of PostePay, such funds have been deposited in a postal current account (so-called safeguard account) and contribute to the deposits taken from private customers of Bancoposta RFC, which, according to the restrictions on their use, are invested in euro area government debt securities. During 2021, the Bank of Italy initiated dialogue with the interested intermediaries, considering the fact that BancoPosta was not deemed by the Bank of Italy to be classifiable as a credit institution, as envisaged by the relevant European legislation. Following a proposed alternative approach, intended to consider deposit of the sums collected by PostePay with BancoPosta to be comparable to a direct investment in qualified debt securities, in the aforesaid communication the Bank of Italy requested further assessment from the part of the relevant intermediaries, intended to identify an operational solution that would entail full alignment with the relevant provisions of law.

Italian Insurance Services Regulator (IVASS)

From 1 March to 18 June 2021, IVASS conducted inspections aimed at verifying compliance with anti-money laundering legislation, at both Poste Vita and BancoPosta RFC. The results of the inspections showed an overall satisfactory compliance framework regarding processes and procedures aimed at fulfilling customer due diligence obligations and the consequent evaluation of anomalous relationships and transactions. However, the decision was only partially favourable, as IVASS concluded that the relationships seen as higher risk remain inadequately verified. These shortcomings concern, in particular, the assessment of how consistent transactions were with customer economic and financial profiles, not supported by documentation to check the information on the origin of the funds acquired by the network. The profiling system does not take into account all the risk factors referred to in IVASS Regulation No. 44 of 12 February 2019 and all the information collected from the customers.

For the areas of improvement reported by IVASS, Poste Vita and BancoPosta RFC have taken steps to implement the necessary initiatives, taking into consideration the guidance received from IVASS.

Other litigation

Federconsumatori / Poste Italiane

Federconsumatori, with a writ of summons dated 14 May 2021, initiated a class action before the Court of Rome against Poste Italiane pursuant to article 140-*bis* of the Consumer Code. The value of the dispute to date is approximately €8,500.

By the summons in question, Federconsumatori alleges that the capitalisation of interest on 30-year interest-bearing postal certificates (marked with the “Q” series, issued by Cassa Depositi e Prestiti from 1986 to 1995, pursuant to Ministerial Decree 13 June 1986 by the Minister of Treasury, which were subsequently transferred to the Ministry of Economy and Finance, pursuant to the MEF Decree of 5 December 2003) is carried out annually net of withholding tax (now substitute tax), rather than gross, with the effect of recognising to savers a lower return than the one allegedly due.

On 27 July 2021, Poste Italiane appeared before the Court of Rome, objecting, on a preliminary basis, the inadmissibility of the class action, on a number of preliminary grounds, as well as on the basis of the circumstance that the plaintiffs and potential class action members’ claims are time-barred, and challenging the merits of the proposed claim.

The Court of Rome, by a ruling dated 11 January 2022, held that the action submitted by Federconsumatori was manifestly ungrounded, recognising, *inter alia*, that Poste Italiane could not be convened in such proceedings not being the correct defendant. Federconsumatori challenged the Court of Rome’s ruling and the Court of Appeal set a hearing for closing arguments for 12 July 2023.

WINDtre / PostePay

On 31 March 2022, PostePay was notified by WindTre S.p.A. (a former partner of PostePay and former wholesale supplier of the access network for the provision of mobile communications services) of a lawsuit brought before the Civil Court of Rome to ascertain alleged credits claimed by WindTre S.p.A. with reference to the “Contract for Wholesale access services in FULL MVNO mode”, in force between the parties from 2013. On the basis of the information available as at the date of this Base Prospectus, the fees claimed by WindTre S.p.A. seem to be the result of a certain interpretation and application of the clauses of the contract inherent to some economic components - tariffs. On 7 November 2022, PostePay filed its introductory motion and relevant counterclaim.

Tax credits

As part of the activities carried out by Poste Italiane in connection with the purchase of tax credits referred to in Article 119 of the so called Decreto Rilancio (Decree Law No. 34/2020 converted as amended by Law No. 77/2020), Poste Italiane has been involved in certain legal proceedings in which it is a *bona fide* third party/injured party (for further details, see “*Business of the Group – 3. Financial Services*” above).

Tax disputes

On 19 April 2018, the tax Authorities in Rome (*Guardia di Finanza - Nucleo di Polizia economico-finanziaria*) entered the offices of SDA Express Courier S.p.A. to verify the company's compliance with VAT, income tax, IRAP and withholding taxes for the years 2014, 2015 and 2016, pursuant to and for the purposes of articles 52 and 63 of Presidential Decree 633/72, Article 33 of Presidential Decree 600/73, Article 2 of Legislative Decree 68/2001 and Law 4/1929.

On 29 November 2018, the audit was formally declared concluded. The main finding contained in the final notice of assessment for approximately Euro 1 million concerns the deduction of VAT related to adjustment entries issued by the company in relation to discounts granted to customers as a result of the increase in the number of shipments. These discounts are transformed into price reductions originally applied by the company at the time of shipment management and are therefore classified as rebates or discounts under the relevant contract. Subsequently, on 5 December 2019, a notice of assessment was served for the year 2014 only with a total claim of Euro 0.4 million, which, referring to the Formal Tax Audit Report (*Processo Verbale di Constatazione*), mainly disputes the VAT deducted. On 3 February 2020, SDA Express Courier S.p.A. filed an appeal against this notice and provisionally paid the penalty imposed. The discussion hearing, originally scheduled for 17 February 2021, for which a request for oral argument had been sent on 21 January 2021, was held on 20 July 2022. The latter, at the request of SDA Express Courier S.p.A., was postponed to a new date to allow for the completion of negotiations with the Lazio Regional Tax Office (DRE) (the postponement mechanism has not yet been notified by the Provincial Tax Commission).

Moreover, on 27 May 2021, the Lazio Regional Tax Office (DRE) issued a further notice of assessment for the tax year 2015, similar to the notice already filed for the year 2014 in which deducted VAT was the main contested item. This notice has not been challenged and a procedure has been initiated with the Lazio Regional Tax Office for the overall review of the dispute concerning the credit notes with reference to all the periods covered by the findings of the Formal Tax Audit Report (*Processo Verbale di Constatazione*) (from 2014 to 2017) in order to seek an out-of-court settlement. At the date of this Base Prospectus, this procedure is currently underway.

Anti-money laundering

At the date of this Base Prospectus, Poste Italiane has 61 pending notifications regarding the violation of the anti-money laundering legislation, of which: (i) six relate to the failure to report suspicious transactions to the FIU; (ii) 52 relate to failure to report to the MEF (iii) two relate to customer due diligence (an obligation imposed by Legislative Decree 231/2007 when either a continuing relationship is established, or occasional transactions are entered into and there are suspicions in relation to money laundering or terrorist financing, or there are doubts in relation to data previously obtained from the customer); and (iv) one relates to record keeping (an obligation imposed by Legislative Decree 231/2007 for anti-money laundering purposes to collect specific qualitative information relating to the customer relationship and quantitative information relating to transactions).

Corporate Governance

The corporate governance system adopted by Poste Italiane complies with the principles set out in the Corporate Governance Code 2020 edition (*Codice di Corporate Governance*) issued by Borsa Italiana S.p.A. (**Italian Corporate Governance Code**), the provisions of the Consolidated Financial Act (where applicable) and the Supervisory Regulation issued by the Bank of Italy and applicable to Poste Italiane as a result of business activities conducted through its segregated capital – established by Poste Italiane with effect from 2 May 2011, pursuant to article 2, paragraph 17-*octies* ff. of Legislative Decree No. 225 of 29 December 2010, converted with amendments into Law No. 10, on 26 February 2011, in a resolution by the Shareholder's Meeting held in extraordinary session on 14 April 2011 – exclusively dedicated to the exercise of BancoPosta activities.

With regard to the governance system adopted by BancoPosta RFC, the rules governing the organisation, management and control of BancoPosta's operations are contained in the specific BancoPosta Regulation approved by the extraordinary General Meeting of 14 April 2011 and amended by the extraordinary General Meetings of 31 July 2015 and 29 May 2018 (the **BancoPosta Regulation**). The amendments of 29 May 2018 had effect as of 1 October 2018.

As a result of the Supervisory Regulation applicable to BancoPosta RFC, as amended on 27 May 2014, in conducting BancoPosta's activities Poste Italiane is considered equivalent – for the purposes of application of

corporate governance regulations – to major banks in terms of size and operational complexity. In envisaging the prudential standards for banks applicable to BancoPosta RFC, the Bank of Italy took into account the entity’s peculiar nature, which made the application of certain exemptions necessary. These primarily regard the regulations governing “major exposures” and “related parties”, the countercyclical capital buffer, the Leverage Ratio, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).

In addition to Pillar 1 capital requirements (credit, counterparty, market and operational risks) and the self-assessment of capital adequacy with respect to all the identified risks (ICAAP, the Internal Capital Adequacy Assessment Process), requiring preparation of an annual report to be sent to the Bank of Italy for the purposes of its Supervisory Review and Evaluation Process (SREP), the prudential standards applied to BancoPosta RFC also require public disclosure of capital adequacy, risk exposure and the general characteristics of the related management and control systems.

Relevant Internal Committees

The **Financial and Insurance Services Committee** was established on 19 March 2018 to replace the previous so-called “Finance, Savings and Investment Committee”, with the aim of supervising the process of developing the products and services distributed by BancoPosta, in order to take a uniform, integrated view of the entire offering and to monitor the performance of the financial investments in which private customer deposits are invested.

The “**Investment Committees**” were established at the Group’s insurance companies, Poste Vita and its subsidiary Poste Assicura, which, based on analyses by the relevant functions, provide advice to senior management on the development, implementation and oversight of investment strategy.

Employees

The table below provides information on the Group’s workforce:

	Number of employees			
	Average for the year ended 31		At 31 December	
	December		2021	2020
	2021	2020	2021	2020
Executives	688	697	627	675
Middle managers	15,172	14,838	14,843	14,704
Operational areas	91,811	96,397	89,130	92,689
Base areas	4,657	4,954	3,435	4,640
Total permanent units *	112,308	116,886	108,035	112,708

(*) Data expressed in full time equivalent terms.

Information Technology

Poste Italiane’s information flows are supported by information systems that, *inter alia*, collate, classify and record transactions for the purposes of processing as well as preparing and controlling financial reporting. The IT processes represent the working model of IT and are based on the COBIT framework.⁵ The IT processes, together with the IT infrastructure and software applications, are under the responsibility of the Chief Digital,

⁵ COBIT (Control Objectives for Information and Related Technology) is a set of best practices (framework) for information technology management created by the American ISACA (Information Systems Audit and Control Association) and ITGI (IT Governance Institute) to provide internationally generally accepted measures for the assessment and improvement of a company’s IT governance and control.

Technology & Operations Officer.⁶ The IT processes relate to planning, development, maintenance and monitoring of hardware, software and networks, and the provision of assistance services to end users.

The IT infrastructure and software applications support the business processes of financial, insurance, payment, telecommunications, energy and logistic services.

Summary Financial Information relating to the Issuer

The following tables summarise the consolidated statement of the financial position, the consolidated statement of profit or loss and the consolidated summary statement of cash flows of the Issuer. All amounts in the following statements are shown in millions of Euros and have been derived from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2021 and 31 December 2020, and the Interim Report dated 30 June 2022.

The Group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (IASB) and adopted by the European Union with Regulation (EC) No. 1606/2002 of 19 July 2002, and in accordance with Legislative Decree No. 38 of 20 February 2005, which introduced regulations governing the implementation of IFRS into Italian law.

Preparation of the annual accounts requires the application of accounting standards and methods that are at times based on complex subjective judgements, estimates that are based on historical experience and assumptions that shall be considered reasonable and realistic under the related circumstances. Use of such estimates and assumptions affects the final amounts reported in the financial statements and related disclosures. Estimates and assumptions are periodically reviewed and the impact of any changes is reflected in the financial statements solely for the period in which the estimate is revised, if the revision only influences said period, or, if the revision influences both current and future periods, for any future period which may be influenced (for further details, see Section 2.5 of the Annual Report at 31 December 2021 and Section 2.4 of the Interim Report at 30 June 2022).

The Group's tax expense and related accounting treatment reflect the effects of the decision by Poste Italiane to adopt a tax consolidation arrangement, in accordance with relevant legislation, together with the subsidiaries Poste Vita, SDA Express Courier, Poste Air Cargo, Postel, Europa Gestioni Immobiliari S.p.A., Poste Welfare Servizi, Poste Assicura, BancoPosta Fondi SGR, PostePay, Poste Insurance Broker S.r.l., MLK Deliveries, Indabox S.r.l. and Nexive Network.

The tax consolidation arrangement is governed by Group regulations based on the principles of neutrality and equality of treatment, which are intended to ensure that the companies included in the tax consolidation are in no way penalised as a result. Following adoption of the tax consolidation arrangement, the Parent Company's tax expense is determined at a consolidated level on the basis of the tax expense or tax losses for the period for each company included in the consolidation, taking account of any withholding tax or advances paid.

Poste Italiane posts its IRES tax expense to income taxes for the period after adjustments to account for the positive or negative impact of adjustments from tax consolidation. Where reductions or increases in tax expense resulting from such adjustments are attributable to companies included in the tax consolidation, Poste Italiane attributes such reductions or increases in tax expense to those companies. The economic benefits from offsetting the tax losses transferred to the consolidating entity by the companies participating in the tax consolidation arrangement are recognised in full by Poste Italiane.

Consolidated statement of financial position

(€m)

⁶ IT systems relating to human resources are under the direct control of Human Resources and Organisation.

ASSETS	At 31 December	
	2021	2020
Non-current assets		
Property, plant and equipment	2,267	2,134
Investment property	32	31
Intangible assets	873	755
Right-of-use assets	1,116	1,200
Investments accounted for using the equity method	277	615
Financial assets	221,226	221,134
Trade receivables	3	2
Deferred tax assets	1,245	1,123
Other receivables and assets	4,012	3,839
Tax credits Law No. 77/2020	5,551	29
Technical provisions attributable to reinsurers	50	54
Total	236,652	230,916
Current assets		
Inventories	155	165
Trade receivables	2,508	2,373
Current tax assets	115	187
Other receivables and assets	1,146	1,054
Tax credits Law No. 77/2020	905	6
Financial assets	27,630	26,749
Cash and deposits attributable to BancoPosta	7,659	6,391
Cash and cash equivalents	7,958	4,516
Total	48,076	41,441
TOTAL ASSETS	284,728	272,357

Consolidated statement of financial position (continued)

(€m)

LIABILITIES AND EQUITY	At 31 December	
	2021	2020
Equity		
Share capital	1,306	1,306
Reserves	3,599	3,909
Treasury shares	(40)	(40)
Retained earnings	7,237	6,327
Total Equity attributable to owners of the Parent	12,102	11,502
Equity attributable to non-controlling interests	8	5

Total	12,110	11,507
Non-current liabilities		
Technical provisions for insurance business	159,089	153,794
Provisions for risks and charges	693	625
Employee termination benefits	922	1,030
Financial liabilities	15,122	18,366
Deferred tax liabilities	953	1,229
Other liabilities	1,749	1,576
Total	178,528	176,620
Current liabilities		
Provisions for risks and charges	575	771
Trade payables	2,029	1,837
Current tax liabilities	16	13
Other liabilities	1,860	1,745
Financial liabilities	89,610	79,864
Total	94,090	84,230
TOTAL EQUITY AND LIABILITIES	284,728	272,357

Consolidated statement of profit or loss

(€m)

	For the year ended 31 December	
	2021	2020
Revenue from Mail, Parcels and other	3,685	3,201
Net revenue from Financial Services	4,783	4,945
<i>Revenue from Financial Services</i>	<i>4,931</i>	<i>5,151</i>
<i>Expenses from financial activities</i>	<i>(148)</i>	<i>(206)</i>
Revenue from Insurance Services after movements in technical provisions and other claims expenses	1,870	1,643
<i>Insurance premium revenue</i>	<i>17,829</i>	<i>16,865</i>
<i>Income from insurance activities</i>	<i>4,383</i>	<i>4,065</i>
<i>Change in technical provisions for insurance business and other claims expenses</i>	<i>(19,964)</i>	<i>(18,767)</i>
<i>Expenses from insurance activities</i>	<i>(378)</i>	<i>(520)</i>
Revenue from Payments and Mobile	882	737
Net operating revenue	11,220	10,526
Cost of goods and services	2,873	2,523
Personnel expenses	5,467	5,638
Depreciation, amortisation and impairments	790	700

<i>of which, non-recurring costs/(income)</i>	-	-
Capitalised costs and expenses	(33)	(37)
Other operating costs	253	103
Impairment loss/(reversal) on debt instruments, receivables and other assets	24	75
Operating profit/(loss)	1,846	1,524
Finance costs	73	75
<i>of which, non-recurring costs</i>	-	-
Finance income	369	123
<i>of which, non-recurring income</i>	225	-
Impairment loss/(reversal) on financial instruments	-	1
<i>of which, non-recurring expense/(income)</i>	-	-
Profit/(Loss) on investments accounted for using the equity method	26	5
<i>of which, non-recurring income/(expense)</i>	-	-
Profit/(Loss) before tax	2,168	1,576
Income tax for the year	588	370
<i>of which, non-recurring expense/(income)</i>	-	(96)
NET PROFIT FOR THE PERIOD	1,580	1,206
of which, attributable to owners of the Parent	1,578	1,207
of which, attributable to non-controlling interests	2	(1)
Earnings per share	1.214	0.927
Diluted earnings per share	1.214	0.927

Consolidated summary statement of cash flows

(€m)

	For the year ended 31 December	
	2021	2020
Cash and cash equivalents at beginning of year	4,516	2,149
Cash flow generated by operating activities before movements in working capital	[a] 2,114	1,616
Cash flow generated by/(used in) movements in working capital	[b] (371)	(677)

Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance	[c]	2,441	978
Net cash flow from/(for) operating activities	[d]=[a+b+c]	4,184	1,917
Net cash flow from/(for) investing activities	[e]	(422)	(601)
Net cash flow from/(for) financing activities and shareholder transactions	[f]	(321)	1,051
Effect of exchange rate fluctuations on cash and cash equivalents	[g]	1	-
Net increase/(decrease) in cash	[h]=[d+e+f+g]	3,442	2,367
Cash and cash equivalents at end of year		7,958	4,516

Key Events since 30 June 2022

Nexi - SIA - Nets Group

On 1 July 2021, the merger of Nexi S.p.A. (**Nexi**) with Nets A/S was completed.

On 31 December 2021, the merger of SIA S.p.A. (**SIA**) by incorporation into Nexi was completed.

On 31 December 2021, the demerger of FSIA Investimenti S.r.l. (**FSIA**) was completed, through the transfer of assets representing 30% of FSIA, including: (i) a 17.2% stake in SIA; and (ii) the shareholder loan of Euro 20.7 million granted by Poste to FSIA, in favour of PSIA S.r.l. (**PSIA**), a newly established company wholly owned by Poste Italiane.

Therefore, Poste Italiane, through its subsidiary PSIA, now holds a 3.6% stake in the new Nexi.

On 24 June 2022, the Board of Directors of Poste Italiane and the shareholders' General Meeting of PSIA approved the merger by incorporation of PSIA into Poste Italiane. The transaction, which provided for the application of the simplifications set out by the regulations on the merger of wholly owned companies, took effect from 1 November 2022.

The merger is part of a corporate reorganisation, which is intended to enable Poste Italiane to directly hold shares in the listed company Nexi, thereby simplifying the Group's structure.

LIS Holding S.p.A.

On 14 September 2022, Poste Italiane, through its wholly-owned subsidiary PostePay, completed the acquisition of LIS Holding S.p.A. - which owns 100% of its subsidiary LIS Pay S.p.A. - (hereinafter **LIS**) from International Game Technology PLC, after having received all necessary approvals from regulators and competition authorities. Consistent with the announcement made on 28 February 2022, the consideration paid for the acquisition of 100% of the share capital of LIS amounted to Euro 700 million, including net unrestricted conventional cash of Euro 70 million.

LIS, a long-standing business partner of Poste Italiane, uses a proprietary paytech platform and a highly qualified management team and is active in the Italian proximity payments market through a network of nearly 54,000 affiliated points of sale, offering services including bill payments, prepaid payment cards, telco top-ups and e-vouchers, as well as service solutions for merchants and businesses. LIS also provides integrated management of all merchant back-office activities and payments and merchant services to customers. In particular, the LIS platform supports and enables the provision of services - mainly relating to collections and payments - at affiliated merchants: (i) payments (postal money orders, MAV, PagoPA, etc.); (ii) collections

for top-ups of prepaid cards (mainly PostePay); (iii) other types of collections for services (directly or on behalf of third parties): telephone top-ups, digital TV services, as well as processing services related to tax mobility or the issuance of tax stamps; and (iv) services for retailers and businesses on the above-mentioned technological platform through a network of proprietary terminals.

This transaction also consolidates PostePay's growth in the proximity payments market and strengthens its ability to acquire services and its SME offering, in line with the multi-channel strategy set out in the 24 SI Plan. In line with the integrated omni-channel strategy of the 24 SI Plan, LIS expects to consolidate PostePay's leadership in the payments sector and in the digital services ecosystem.

Sourcesense S.p.A.

On 24 June 2022, the Board of Directors of Poste Italiane approved the promotion of a cash takeover bid for all the shares and warrants of Sourcesense S.p.A. (**Sourcesense**).

Sourcesense is a company with shares traded on the multilateral trading system Euronext Growth Milan, operating in the IT sector in Italy and in the United Kingdom with high expertise in the development of cloud-native solutions, based on open-source technology. In line with the objectives of the 24 SI Plan, the transaction is intended to enable Poste Italiane to strengthen its internal development capacity for applications based on cloud and open-source technology, significantly increasing the level of internalisation of activities and evolving towards a “product factory” model, while limiting the use of external staff for specialist technology support and non-core activities.

Following the completion of the transaction, aimed at delisting the shares and warrants, it is expected that Poste Italiane will hold a controlling interest in Sourcesense of 70% and that its controlling shareholders (which acted in collaboration with Poste Italiane in the launch of the bids) will retain a minority stake of 30%. The transaction envisages a consideration offered for each share of Euro 4.20 (corresponding to a premium of 24.0% over the weighted average of Borsa Italiana's official daily prices for the last month) and a consideration offered for each warrant of Euro 0.78 (corresponding to a premium of 75.4% over the weighted average of Borsa Italiana's official daily prices for the last month).

The consideration due to the holders of the shares and warrants offered, equal to 4.20 euros per share and 0.78 euros per warrant respectively, was paid to the participants on 28 October 2022, against the simultaneous transfer of the right of ownership over such shares and warrants in favour of Poste Italiane.

Net Insurance S.p.A.

On 28 September 2022, Poste Vita's board of directors approved the promotion of a wilful and absolute cash takeover bid on ordinary shares and warrants of Net Insurance S.p.A. (**Net Insurance**), in agreement with several shareholders. The offers will be promoted through a special purpose vehicle established in the form of an Italian joint stock company directly controlled by Poste Vita (**BidCo**).

The consideration that will be offered for each share is 9.50 euros (corresponding to a premium of 28% of the weighted average daily official prices of Borsa Italiana for the past month) and the consideration that will be offered for each warrant is 4.81 euros (corresponding to a premium of 60% of the weighted average daily official prices of Borsa Italiana for the past month).

Net Insurance, a company with shares traded on the regulated market called Euronext STAR Milan (“ESM”) organised and managed by Borsa Italiana S.p.A., is an insurance company with offerings dedicated to insurance cover associated with the world of credit and, in particular, salary or pension-backed loans, protection and insurtech, thanks to agreements with technology partners.

The transaction is aimed at acquiring control of Net Insurance by the insurance group led by Poste Vita and will allow it, in line with the objectives defined in the 2024 SI Plus Plan, to achieve a significant growth in the

P&C/protection insurance segment, through the acquisition of a majority stake in a leading company in Italy in that market. Specifically, Poste Vita intends to identify Net Insurance as: (i) a “centre of excellence” for the insurance group for insurance products related to salary and pension-backed (CQ) products and (ii) a product factory of reference as regards the distribution of insurance products on third-party networks, with particular reference to bank networks.

The operation also seeks to establish a long-term strategic and commercial partnership with IBL Banca SpA (**IBL**), through the 40% stake that it will acquire in BidCo upon completion of the transaction, further strengthened by the commercial commitments of IBL aimed at a substantial increase in insurance cover relating to its own salary or pension-backed loans acquired from Net Insurance.

TAXATION

Italy

The statements herein regarding taxation summarise the main Italian tax consequences of the purchase, the ownership and the disposal of the Notes. They apply to a holder of the Notes only if such holder purchases its Notes under this Programme. It is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to a holder of the Notes and it shall not be considered nor construed as an opinion in connection with any information contained therein. This summary also assumes that the Issuer is resident only in Italy for tax purposes (without a permanent establishment abroad) and that the Issuer is organised and its business will be conducted as outlined in this Base Prospectus. Changes in the Issuer's tax residence, organisational structure or the manner in which the Issuer conduct their business may invalidate this summary.

The statements herein regarding taxation are based on the laws and/or practice in force in Italy as at the date of this Base Prospectus and are subject to any changes in law and/or practice occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and/or practice and if any such changes occur the information in this summary could become invalid.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Interest and other proceeds

Notes that qualify as “obbligazioni” or “titoli similari alle obbligazioni”

To the extent that Notes qualify as “obbligazioni” or “titoli similari alle obbligazioni”, as defined hereunder, interest, premium and other proceeds (including the difference between the redemption amount and the issue price, hereinafter collectively referred to as **Interest**) deriving from Notes, are subject to the tax regime provided for by Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree No. 239**).

In particular, Decree No. 239 applies to such notes which fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Italian Presidential Decree No. 917 of 22 December 1986, as amended (**Decree No. 917**) (i) provided that, *inter alia*, they are issued (a) by banks, or by a company whose shares are traded on a regulated market or multilateral trading facility of an EU or EEA country which is included in the so called “white list” provided for by the Italian Ministerial Decree of 4 September 1996, as amended and supplemented by Ministerial Decree dated 23 March 2017, and possibly further amended by future decree issued pursuant to Article 11(4)(c) of Decree No. 239 (**White List**), or (b) by economic public entities transformed in joint-stock companies by virtue of a provision of law (such as the Issuer), or (ii) - if issued by companies other than those mentioned above – provided that, *inter alia*, the notes themselves are traded on the mentioned regulated markets or multilateral trading facilities. For this purpose, debentures similar to bonds are securities, other than shares and securities similar to shares, that incorporate an unconditional obligation to pay, at maturity or redemption, an amount not lower than that indicated thereon and that do not allow direct or indirect participation in the management of the issuer or of the business in relation to which they have been issued.

Italian resident Noteholders

Pursuant to Decree No. 239, where an Italian resident Noteholder, who is the beneficial owner of the Notes, is: (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non-commercial partnership or professional association, (iii) a non-commercial private or public institution (for undertakings for collective investment see below) or non-commercial trust, or (iv) an investor exempt from

Italian corporate income tax (in each case, unless the relevant Noteholder has entrusted the management of its financial assets, including the Notes, to an authorised intermediary and has opted for the so-called “*Risparmio Gestito*” regime, see under paragraph “*Capital Gains*”, below), Interest in respect of Notes are subject to a final substitute tax, levied at the rate of 26 per cent. (so-called *imposta sostitutiva*), either when Interest is paid or obtained by the holder upon disposal of the Notes.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian law.

In case the Notes are held by an Italian resident individual or non-commercial private or public institution (including non-commercial trusts) engaged in a business activity and are effectively connected to its business activity, then Interest (i) will be subject to the *imposta sostitutiva* on account of income tax due and (ii) will be included in the relevant Noteholder’s annual taxable income to be reported in the income tax return. As a consequence, such Interest will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Pursuant to Decree No. 239, *imposta sostitutiva* is generally applied by banks, *società di intermediazione mobiliare* (SIMs), fiduciary companies, *società di gestione del risparmio* (SGRs), stock exchange agents and other entities identified by relevant decrees of the Ministry of Economics and Finance (the “**Intermediaries**” and each an “**Intermediary**”).

An Intermediary must: (i) be (a) resident in Italy, (b) a permanent establishments in Italy of Intermediaries resident outside Italy, or (c) an entity or a company not resident in Italy, acting through a system of centralised administration of securities and directly connected with the Department of Revenue of Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and (ii) intervene, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

In order to apply the *imposta sostitutiva*, an Intermediary opens an account (the **single account**) to which it credits the *imposta sostitutiva* in proportion to the Interest accrued. In the event that more than one Intermediary participates in an investment transaction, the *imposta sostitutiva* in respect of the transaction is credited to or debited from the single account of the Intermediary having the deposit or investment management relationship with the investor.

Where the Notes and the relevant coupons are not deposited with an Intermediary meeting the requirements under (i) and (ii) above, the *imposta sostitutiva* is applied and withheld by any Italian bank or any Italian intermediary paying Interest to a Noteholder or by the Issuer.

The *imposta sostitutiva* regime described herein does not apply in cases where the Notes are held in a discretionary investment portfolio managed by an authorised intermediary pursuant to the so-called discretionary investment portfolio regime (the “*Risparmio Gestito*” regime), as described under “*Capital Gains*”, below. In such a case, to the extent that the Notes and the relevant coupons are deposited in a timely manner directly or indirectly with an Intermediary, Interest will not be subject to *imposta sostitutiva* but will contribute to determine the annual net accrued result of the managed portfolio, which, subject to certain exemptions, is generally subject to an *ad hoc* substitute tax of 26 per cent.

Where the Italian resident Noteholder, who is the beneficial owner of the Notes, is a corporation or a similar commercial entity (including commercial trusts and permanent establishments in Italy of foreign entities to which the Notes are effectively connected) and the Notes and the relevant coupons are deposited in a timely manner directly or indirectly with an Intermediary, then payments of Interest on Notes will not be subject to

the *imposta sostitutiva*, but Interest accrued on the Notes must be included in the relevant Noteholder's annual corporate taxable income, subject to Italian income corporate tax (**IRES**), currently applying at 24 per cent. rate (possibly increased to 27.5 per cent. for certain categories of investors e.g. banks and certain financial institutions) and in certain circumstances, depending on the "status" of the Noteholder, also in the net value of production for the purposes of regional tax on productive activities (**IRAP**) generally applying at the rate of 3.9 per cent (IRAP applies at different rates for certain categories of investors, e.g. banks, financial institutions and insurance companies and, in any case, can be increased or decreased by regional laws).

If an investor is resident in Italy and is an open-ended or a closed-ended investment fund (other than a real estate fund), a SICAF (an investment company with fixed capital, other than a real estate SICAF) or a SICAV (an investment company with variable capital) established in Italy (the **Funds**), and either (i) the Funds or (ii) their manager are subject to the supervision of a regulatory authority, and the Notes are held by an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Funds accrued at the end of each tax period. The Funds will not be subject to taxation on such result, but a withholding tax of 26 per cent. may apply, in certain circumstances, to distributions made in favour of certain categories of unitholders or shareholders or in case of redemption or sale of the units or shares in the Funds (the **Collective Investment Fund Tax**). The above described regime of exemption, applicable to the Funds, should also apply to Italian real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 and Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate SICAFs (the **Real Estate Investment Funds**). A withholding tax may apply in certain circumstances at a rate up to 26 per cent. on distributions made by the Real Estate Investment Funds to certain categories of unitholders or shareholders and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors, owning more than 5 per cent. of the Italian Real Estate Investment Fund's units or shares.

Where an investor is an Italian pension fund subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005 (the **Pension Funds**) and the Notes are deposited in a timely manner directly or indirectly with an Intermediary, then Interest on Notes will not be subject to the *imposta sostitutiva*, but will be included in the results of the relevant portfolio accrued at the end of the relevant tax period which will be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set under Italian law.

Non-Italian resident Noteholders

Interest relating to Notes may be exempt from taxation with respect to certain beneficial owners of the Notes resident outside of Italy, without permanent establishment in Italy to which the Notes are effectively connected. In particular, pursuant to Decree No. 239, subject to timely compliance with all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as outlined in brief below, an exemption applies to any non-Italian resident beneficial owner of the Notes (certain types of institutional investors are deemed to be beneficial owners by operation of law) who is: (i) resident, for tax purposes, in a country included in the White List or (ii) an international body or entity set up in accordance with international agreements entered into force in Italy; or (iii) a central bank or an entity also authorised to manage the official reserves of a state; or (iv) an institutional investor which is resident or established in a country included in the White List, even if it does not possess the status of taxpayer in its own country of residence or establishment.

The exemption procedure for non-Italian resident Noteholders to ensure payment of Interest in respect of the Notes without application of the *imposta sostitutiva* identifies two categories of Intermediaries:

- (a) an Italian or foreign bank or financial institution (there is no requirement for the bank or financial institution to be EU resident) (the **First Level Bank**), acting as intermediary in the deposit of the Notes and the relevant coupons held, directly or indirectly, by the Noteholder with a Second Level Bank (as

defined below) and which has no direct connection with the Department of Revenue of the Ministry of Economics and Finance; and

- (b) an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, acting as depository or sub-depository of the Notes appointed to maintain direct relationships, via telematic link, with the Italian tax authorities (the **Second Level Bank**). Organizations and companies non-resident in Italy, providing a centralised administration of securities and directly connected with the Department of Revenue of the Ministry of Economics and Finance (which include Euroclear and Clearstream, Luxembourg) are treated as Second Level Banks, provided that they appoint an Italian representative (an Italian resident bank or SIM, or a permanent establishment in Italy of a non-resident bank or SIM, or a central depository of financial instruments pursuant to Article 80 of the Consolidated Financial Act) for the purposes of the application of Decree No. 239.

In the event that a non-Italian resident Noteholder deposits the Notes and the relevant coupons directly with a Second Level Bank, the latter shall be treated both as a First Level Bank and a Second Level Bank.

The exemption from the *imposta sostitutiva* for Noteholders who are not resident in Italy is conditional upon:

- (i) the timely deposit of the Notes and the coupons relating thereto, either directly or indirectly, with an institution which qualifies as a Second Level Bank; and
- (ii) the submission to the First Level Bank or the Second Level Bank, as the case may be, of a statement (*autocertificazione*) of the relevant Noteholder, to be provided only once, in which it declares, inter alia, to be the beneficial owner of the Notes and that it is resident in a country included in the White List. Such statement must comply with the requirements set forth by the Italian Ministerial Decree dated 12 December 2001, is valid until withdrawn or revoked (unless some information provided therein has changed) and needs not to be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. Specific requirements are provided for “institutional investors” (see Circular No. 23/E of 1 March 2002 and No. 20/E of 27 March 2003). The above statement is not requested for non-Italian resident investors that are international bodies or entities set up in accordance with international agreements entered into force in Italy or central banks or entities also authorised to manage the official reserves of a State.

The First Level Bank is obliged to send the above statement to the Second Level Bank within 15 days from receipt.

The Second Level Bank files the data relating to the non-resident Noteholder together with the data relating to the First Level Bank and of the transactions carried out, via telematic link, to the Italian tax authorities within the first transmission period after receipt of such data. Transmission periods are two-week periods per month during which the Second Level Bank transmits to the Italian Tax Authorities data relating to Note transactions carried out during the preceding month. The Italian Tax Authorities monitor and control such data and any discrepancies thereof.

In case of failure by a non-resident Noteholder without permanent establishment in Italy to which the Notes are effectively connected to comply with the above exemption procedure, the *imposta sostitutiva* will apply on Interest payable to that Noteholder pursuant to the ordinary rules applicable for the payment of the *imposta sostitutiva*.

In this case, the *imposta sostitutiva* may be reduced (generally to 10 per cent.) or reduced to zero under certain applicable double tax treaties entered into by Italy, if more favourable, subject to timely filing of required documentation.

Capital Gains

1. Italian resident Noteholders

Pursuant to Legislative Decree No. 461 of 21 November 1997, as amended (**Decree No. 461**), where an Italian resident Noteholder, who is the beneficial owner of the Notes, is: (i) an individual not engaged in a business activity to which the Notes are effectively connected, (ii) a non-commercial partnership or professional association, (iii) a non-commercial private or public institution (for undertakings for collective investment see below) or non-commercial trust, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to the Italian capital gains tax (the **CGT**). The rate of the CGT is 26 per cent. Under certain conditions, Noteholders may set off any capital losses with their capital gains.

For the purposes of determining the taxable capital gain, any Interest on the Notes accrued and unpaid up to the time of, respectively, the purchase and the sale of the Notes must be deducted both from the purchase price and the sale price.

Noteholders under (i) to (iii) above can opt for one of the three following regimes:

- (i) pursuant to the tax return regime (*Regime della Dichiarazione*), the Noteholder will have to assess the overall capital gains realised in a given fiscal year, net of any relevant incurred capital losses, in his annual income tax return and pay the CGT due on capital gains so assessed together with the income tax due for the same fiscal year. Capital losses exceeding capital gains can be carried forward to offset capital gains of the same kind in the following fiscal years up to the fourth. However, as such regime constitutes the ordinary regime, the Noteholder must apply it whenever he does not opt for any of the two other regimes;
- (ii) pursuant to the non-discretionary investment portfolio regime (*Risparmio Amministrato* regime), the Noteholder may elect to pay the CGT separately on capital gains realised on each sale, transfer or redemption of the Notes. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or other authorised intermediaries and (ii) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The *Risparmio Amministrato* lasts for the entire fiscal year and unless revoked prior to the end of such fiscal year will also be deemed valid for the subsequent fiscal year. The intermediary is responsible for accounting for the CGT in respect of capital gains realised on each sale, transfer or redemption of the Notes. The intermediary is required to pay the relevant amount to the Italian tax authorities by the 16th day of the second month following the month in which the CGT is applied, by deducting a corresponding amount from the proceeds to be credited to the Noteholder. Where a particular sale, transfer or redemption of the Notes results in a net loss, the intermediary is entitled to deduct such loss from gains subsequently realised on assets held by the Noteholder with the same intermediary within the same relationship of deposit, in the same fiscal year or in the following fiscal years up to the fourth. The Noteholder is not required to declare the gains in its annual income tax return; and
- (iii) pursuant to the discretionary investment portfolio regime (*Risparmio Gestito* regime), if the Notes are part of a portfolio managed by an Italian asset management company, capital gains will not be subject to the CGT, but will contribute to determine the annual net accrued result of the portfolio. Said annual net accrued result of the portfolio, even if not realised, is subject to an ad-hoc 26 per cent. substitute tax to be applied on behalf of the Noteholder by the asset management company. Any net capital losses of the investment portfolio accrued at year-end may be carried forward and offset against future net profits accrued in each of the following fiscal years up to the fourth one. Under such regime the Noteholder is not required to declare the capital gains in its annual income tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian law.

2. *Corporate investors (including banks and insurance companies)*

Capital gains realised by Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) on sale, transfer or redemption of the Notes will form part of their aggregate income subject to IRES, at the rate specified above (see *Interest and other proceeds* above). In certain cases (depending on the status of the Noteholder), capital gains are also included in the taxable net value of production of Italian resident corporate entities (including a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected) for IRAP purposes, at the rate specified above (see *Interest and other proceeds* above). The gains are calculated as the difference between the sale price and the relevant tax basis of the Notes. Upon fulfilment of certain conditions, the gains may be taxed in equal instalments over up to five fiscal years for IRES purposes.

3. *The Funds*

In case of Notes held by Funds, capital gains on the Notes are not taxable at the level of such Funds. The Collective Investment Fund Tax may apply upon: (i) distribution by the Funds; or (ii) redemption or disposal of the units / shares or liquidation of the Fund.

4. *The Pension Funds*

In case of Notes held by Italian Pension Funds, capital gains on the Notes will contribute to determine the annual net accrued result of same Pension Funds, which is generally subject to a 20 per cent. substitute tax (see also *Interest and other proceeds* above). Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian law.

5. *The Real Estate Investment Funds*

Capital gains on Notes are not taxable at the level of Real Estate Investment Funds. A withholding tax may apply in certain circumstances at a rate up to 26 per cent. on distributions made by the Real Estate Investment Funds. (see also *Interest and other proceeds* above). Subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or the shareholder regardless of any actual distribution on a tax transparency basis.

6. *Non-Italian resident Noteholders*

The CGT may in certain circumstances be payable on any capital gains realised upon sale, transfer or redemption of the Notes by non-Italian resident individuals and corporations without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

However, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are traded on a regulated market in Italy or abroad, subject to timely filing of required documentation (in the form of a self-declaration

- *autocertificazione* - of non-residence in Italy) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions of any applicable double tax treaty. The Italian tax authorities have clarified that the notion of multilateral trading facility (MTF) under EU Directive 2014/65/CE (so called MiFID II) can be assimilated to that of “regulated market” for income tax purposes; conversely, organized trading facilities (OTF) cannot be assimilated to “regulated market” for Italian income tax purposes.

Where the Notes are not listed on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree No. 461, non-Italian resident Noteholders with no permanent establishment in Italy to which the Notes are effectively connected are exempt from taxation in Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are the beneficial owners of the capital gain (certain types of institutional investors are deemed to be beneficial owners by operation of law) and are (i) resident, for tax purposes, in a country included in the White List - see *Interest and other proceeds* above; or (ii) international entities or bodies set up in accordance with international agreements ratified in Italy; or (iii) central banks or entities which manage, *inter alia*, the official reserves of a foreign State; or (iv) institutional investors established in a country included in the White List, even they do not possess the status of a taxpayer in their own country of establishment, in any case, to the extent all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time, if applicable. In order to obtain the exemption, the self-certificate form provided under Article 7 (2) Decree No. 239 can be used. In this case, if the non Italian Noteholders have opted for the *risparmio amministrato* regime or the *risparmio gestito* regime, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above;
- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, to the extent the relevant procedural requirements are timely complied with, will not be subject to taxation in Italy on any capital gains realised upon sale for consideration or redemption of the Notes.

In these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected are subject to the *Risparmio Amministrato* regime or opt for the *Risparmio Gestito* regime, exemption from Italian taxation on capital gains will generally apply on condition that they file in time with the authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence of the non-Italian residents.

Inheritance and gift taxes

Pursuant to Law No. 346 of 31 October 1990 and Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including the Notes) as a result of gift, donation or succession of Italian residents and non-Italian residents (but in such latter case limited to assets held within the Italian territory – which, for presumption of law, includes bonds issued by Italian resident issuers) are subject to Italian inheritance and gift taxes as follows:

- (i) transfers to spouse and to direct relatives: 4 per cent. of the value of the notes exceeding Euro 1 million for each beneficiary;

- (ii) transfers to brothers and sisters: 6 per cent. of the value of the notes exceeding Euro 100,000 for each beneficiary;
- (iii) transfers to relatives (*parenti*) within the fourth degree, to direct relatives in law (*affini in linea retta*), indirect relatives in law (*affini in linea collaterale*) within the third degree other than the relatives indicated above: 6 per cent. of the value of the notes;
- (iv) other transfers: 8 per cent. of the value of the notes.

If the heir/beneficiary is affected by a handicap deemed as “critical” pursuant to Law No. 104 of 5 February 1992, inheritance and gift taxes apply only to the value of assets (net of liabilities) exceeding Euro 1,500,000.

The *mortis causa* transfers of financial instruments included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*), that meets the requirements set forth under Italian law, are exempt from inheritance taxes.

Transfer tax and stamp duty (*bollo*) and Wealth Tax (IVAFE)

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds (*atti pubblici e scritture private autenticate*) executed in Italy should be subject to fixed registration tax at rate of Euro 200; (ii) private deeds (*scritture private non autenticate*) should be subject to registration tax at rate of Euro 200 only in case of use or voluntary registration.

Pursuant to Article 13(2-ter) of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended (**Decree 642**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by an Italian based financial intermediary to its clients in respect of any financial product and instrument (including the Notes) which may be deposited with such financial intermediary in Italy. The stamp duty is collected by the Italian resident financial intermediaries and applies at a rate of 0.2 per cent. and cannot exceed Euro 14,000 for taxpayers other than individuals. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the basis of face value or redemption value, or in the case the face or redemption values cannot be determined, on the basis of purchase value of the financial assets held.

The statement is deemed to be sent at least once a year, including with respect to the instruments for which it is not mandatory the deposit, 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.

Pursuant to 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 29 July 2009, as subsequently amended, supplemented and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Stamp duty applies both to Italian resident and to non-Italian resident investors, to the extent that the relevant securities (including the Notes) are held with an Italian-based financial intermediary (and not directly held by the investor outside Italy), in which case Italian wealth tax (see below) applies to Italian resident Noteholders only.

In accordance with Article 19 of Decree No. 201 of 6 December 2011, converted with amendments by Law No. 214 of 22 December 2011, as amended, individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes holding financial products – including the Notes – outside of the Italian territory are required to declare in their own annual tax return and pay a wealth tax at the rate of 0.2 per cent. (**IVAFE**). For taxpayers other than individuals, IVAFE cannot exceed Euro 14,000 per year.

The tax applies on the market value at the end of the relevant year (or, if earlier, at the end of the holding period) or – in the lack of the market value – on the basis of face value or redemption value, or in the case the face or redemption values cannot be determined, on the basis of purchase value of the financial assets held outside of the Italian territory. Taxpayers can generally deduct from the tax a tax credit equal to any wealth taxes paid in the State where the financial products are held (up to the amount of the Italian wealth tax due).

Financial assets (including the Notes) held abroad are excluded from the scope of IVAFE if they are administered by Italian financial intermediaries pursuant to an administration agreement and the items of income derived from such instruments have been subject to tax by the same intermediaries. In this case, the above mentioned stamp duty provided for by Article 13 of the Tariff attached to Decree 642 does apply.

Tax Monitoring Obligations

Pursuant to Law Decree No. 167 of 28 June 1990, as subsequently amended and supplemented, individuals, non-commercial entities and certain partnerships (in particular, *società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy for tax purposes, that during the year hold investments abroad or have financial foreign assets by means of which income of foreign source can be accrued must, in some circumstances, disclose the aforesaid and related investments and foreign assets 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 holders of the financial assets, are the actual economic owners thereof for the purposes of anti-money laundering legislation (which is applied for tax monitoring obligations purposes with certain adjustments). The disclosure requirements are not due if, *inter alia*, the foreign financial investments (including the Notes) (i) are held through an Italian resident intermediary upon condition that the items of income derived from the Notes are subject to tax by the same intermediary or (ii) are only composed by deposits and/or bank accounts having an aggregate value not exceeding an Euro 15,000 threshold throughout the year.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) 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. Except for the activities relating to BancoPosta (which is subject to supervision by the Bank of Italy), the Issuer does not expect to be a foreign financial institution for these purposes. A number of jurisdictions (including 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. The IGA between Italy and the United States has been ratified in Italy by Law no. 95 of 18 June 2015, entered into force on 8 July 2015, which has been implemented by specific regulations issued by the Italian Ministry of Economy and Finance.

Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if

additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement dated 16 December 2022 (as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with this and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. In the Programme Agreement the Dealers may agree to subscribe for Notes at their Issue Price less a commission. The Programme Agreement may provide that the obligations of the Dealers to subscribe for Notes are subject to certain conditions precedent.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act or any securities laws of any state or other jurisdiction of the United States. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes 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, as amended (the **Code**) and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether United States Treasury Regulation § 1.163-5(c)(2)(i)(C) (or any successor provision in substantially similar form that are applicable for purposes of Section 4701 of the Code) (the **TEFRA C Rules**) or United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (or any successor provision in substantially similar form that are applicable for purposes of Section 4701 of the Code) (the **TEFRA D Rules**) apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the **Resale Restriction Termination Date**), within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes prior to the Resale Restriction Termination Date a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act.

United Kingdom

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

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each of the Dealers and the Issuer has represented and agreed that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of this Base Prospectus or any other offering material relating to the Notes.

Belgium

Other than in respect of Notes for which “Prohibition of Sales to Belgian Consumers” is specified as “Not Applicable” in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, 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 Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Republic of Italy

The offering of the Notes has not been registered with the Italian *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian securities legislation and, accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2, paragraph 1, letter e), of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and CONSOB regulations; or
- b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and in accordance with any applicable Italian laws and regulations.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy must be made in compliance with the selling restriction under paragraph (a) or (b) above and must be made:

- (i) by *soggetti abilitati* (including investment firms, banks or financial intermediaries), as defined by Article 1, first paragraph, letter r), of the Financial Services Act, permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of 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) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, issued on 25 August 2015 and amended on 10 August 2016 and on 2 November 2020, as further amended from time to time) and/or any other competent authority.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the **SFA**) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred

within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Switzerland

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, 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; or
- iii. not a qualified investor as defined in the Prospectus Regulation.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area (each, a **Relevant State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

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

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

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

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies the “Prohibition of sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, 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 EUWA; or
- ii. a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; or
- iii. not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

If the Final Terms in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the relevant Final Terms in relation thereto to the public in the United Kingdom, except that the Notes may be offered to the public in the United Kingdom at any time:

- a. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- c. in any other circumstances falling within Section 86 of the FSMA,

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

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Notes to be offered so as to enable an investor to decide to purchase or subscribe

for the Notes and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer dated 1 July 2014. The Issuer will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Listing, Approval and Admission to Trading of Notes

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme 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 the Markets in Financial Instruments Directive (Directive 2014/65/EU).

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges, markets or quotation systems agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges, quotation systems and/or markets.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection or collection during normal business hours at the specified office of the Principal Paying Agent for the time being in Luxembourg:

- (a) the by-laws (with an English translation thereof) of the Issuer;
- (b) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (c) a copy of this Base Prospectus, any supplements to this Base Prospectus, any future base prospectus relating to the Programme and any documents incorporated herein or therein by reference;
- (d) any Final Terms relating to Notes which are either admitted to trading on a regulated market in the European Economic Area or offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation; and
- (e) any Final Terms relating to any other Notes (but any such Final Terms will be available only to holders of those Notes and subject to any such holder producing evidence satisfactory to the Issuer and the Principal Paying Agent of its holding of Notes and of identity).

In addition:

- (i) copies of the Agency Agreement and the Deed of Covenant may be provided by email to a Noteholder following their prior written request to any Paying Agents and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent);
- (ii) copies of the documents (a), (c) and (d) above can be viewed on the Issuer's website (www.posteitaliane.it); and

- (iii) a copy of this Base Prospectus will remain publicly available in electronic form for at least ten years after its publication on the websites referred to in paragraphs 2 and 6 of Article 21 of the Prospectus Regulation.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial performance or position of the Group since 30 September 2022 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2021.

Litigation

Save as disclosed under paragraph “*Litigation*” in the Description of the Issuer, 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.

Auditors

The consolidated financial statements of the Issuer for the years ended 31 December 2021 and 2020, prepared in accordance with IFRS, were audited, without qualification and in accordance with generally accepted auditing standards in Italy, by Deloitte & Touche S.p.A., independent registered public accounting firm, as set forth in their reports thereon and included therein, and incorporated by reference herein.

The unaudited interim report of the Issuer as at and for the six months ended 30 June 2022 was subject to the limited review of Deloitte & Touche S.p.A. which has been appointed as auditor of the Issuer for the financial year ended 31 December 2020 onwards. Deloitte & Touche S.p.A. is registered under No. 132587 in the Register of Accountancy Auditors (*Registro dei Revisori Legali*), held by the Ministry of Economy and Finance, in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39. Deloitte & Touche S.p.A., which is located at Via Tortona 25, 20144, Milan, Italy, is also a member of ASSIREVI, the Italian association of auditing firms.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates (including parent companies) have engaged, and may in the future engage, in lending, advisory, corporate finance services, in investment banking and/or commercial banking

transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business and/or for companies involved directly or indirectly in the sector in which the Issuer and/or its affiliates operate, and for which such Dealers have received or may receive customary fees, commissions, reimbursement of expenses and indemnification. In addition, in the ordinary course of their business activities, the Dealers and 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. Certain of the Dealers may also have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. They have received, or may in the future receive, customary fees and commissions for these transactions. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Dealers and/or their affiliates may receive allocations of the Notes (subject to customary closing conditions), which could affect future trading of the Notes. Certain of the Dealers 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 Dealers and 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 Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates (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. In addition, please note that:

- on 11 April 2018, the Issuer and Intesa Sanpaolo S.p.A. signed a framework agreement for the distribution of selected products and services of the two groups through a range of non-exclusive specific agreements with the aim of expanding both entities' product offering to their customers; and
- during the course of 2020, the Issuer and UniCredit S.p.A. (parent company of UniCredit Bank AG) started on an operative basis the partnerships in the consumer credit market.

Issue Price and Yield

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

ISSUER

Poste Italiane S.p.A.

Viale Europa, 190
00144 Rome
Italy

PRINCIPAL PAYING AGENT

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

LEGAL ADVISERS

To the Issuer as to English law and Italian law

Gianni & Orioni

6-8 Tokenhouse Yard
London EC2R 7AS
United Kingdom

Piazza Belgioioso, 2
20121 Milan
Italy

Via delle Quattro Fontane, 20
00184 Rome
Italy

To the Dealers as to English law and Italian law

Allen & Overy – Studio Legale Associato

Via Ansperto, 5
20121 Milan
Italy

Corso Vittorio Emanuele II, 284
00186 Rome
Italy

AUDITORS

Deloitte & Touche S.p.A.

Via Tortona 25
20144 Milan
Italy

JOINT ARRANGERS

Deutsche Bank Aktiengesellschaft

Mainzer Landstr. 11-17
60329 Frankfurt am Main
Germany

Intesa Sanpaolo S.p.A.

Divisione IMI Corporate & Investment Banking

Via Manzoni 4
20121 Milano
Italy

DEALERS

Banco Santander, S.A.
Avenida de Cantabria s/n
28660, Boadilla del Monte
Madrid
Spain

Barclays Bank Ireland PLC
Dublin 2 D02RF29
One Molesworth Street
Ireland

BNP Paribas
16, boulevard des Italiens
75009 Paris
France

BofA Securities Europe SA
51 rue La Boétie
75008 Paris
France

Citigroup Global Markets Europe
Reuterweg 16
60323 Frankfurt am Main
Germany

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Crédit Agricole Corporate and Investment Bank
12, Place des Etats-Unis, CS 70052
92547 Montrouge CEDEX
France

Credit Suisse Bank (Europe), S.A.
Calle de Ayala 42
28001 Madrid
Spain

Deutsche Bank Aktiengesellschaft
Mainzer Landstr. 11-17
60329 Frankfurt am Main
Germany

Goldman Sachs International
Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom

HSBC Continental Europe
38, avenue Kléber
75116 Paris
France

Intesa Sanpaolo S.p.A.
Divisione IMI Corporate & Investment Banking
Via Manzoni 4
20121 Milan
Italy

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

J.P. Morgan SE
Taunustor 1 (TaunusTurm)
60310 Frankfurt am Main
Germany

Mediobanca – Banca di Credito Finanziario S.p.A.
Piazzetta Enrico Cuccia, 1
20121 Milan
Italy

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

MUFG Securities (Europe) N.V.

World Trade Center, Tower H, 11th Floor Zuidplein 98
1077 XV Amsterdam
The Netherlands

Natixis

7 promenade Germaine Sablon
75013 Paris
France

NatWest Markets N.V.

Claude Debussylaan 94
Amsterdam 1082 MD
The Netherlands

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA
United Kingdom

Nomura International plc

1 Angel Lane
London EC4R 3AB
United Kingdom

Société Générale

29 boulevard Haussmann
75009 Paris
France

UBS Europe SE

Bockenheimer Landstraße 2-4,
60306 Frankfurt am Main
Germany

UniCredit Bank AG

Arabellastrasse 12
81925 Munich
Germany

LISTING AGENT

Deutsche Bank Luxembourg S.A.

2, Boulevard Konrad Adenauer
L-1115 Luxembourg