

# 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 “*General Description of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus 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. In accordance with the provisions of Article 6(4) of the Luxembourg Law on prospectuses for securities, the CSSF assumes no responsibility and provides no undertaking as to 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 6 December 2024) 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.luxse.com](http://www.luxse.com)) and the Issuer ([www.posteitaliane.it](http://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**), BBB by S&P Global Ratings Europe Limited (**S&P**) and BBB+ by Scope Ratings GmbH (**Scope**). Obligations rated Baa by Moody’s are judged to be medium-grade and subject to moderate credit risk and as such may possess certain 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. A BBB+ rating by Scope reflects an opinion of good credit quality. Moody's, S&P and Scope 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**

**Banca Akros S.p.A. –  
Gruppo Banco BPM**

**Barclays**

**BofA Securities**

**BNP PARIBAS**

**Citigroup**

**Crédit Agricole CIB**

**Deutsche Bank**

**Goldman Sachs International**

**HSBC**

**ING**

**IMI - Intesa Sanpaolo**

**J.P. Morgan**

**Mediobanca**

**Morgan Stanley**

**MUFG**

**Natixis**

**Nomura**

**Santander Corporate &  
Investment Banking**

**Société Générale  
Corporate & Investment  
Banking**

**UBS Investment Bank**

**UniCredit**

The date of this Base Prospectus is 6 December 2023.

## IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8(1) of the Prospectus Regulation.

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

A determination will be made in relation to each issue about whether, for the purpose of 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 2021 and 2022, the unaudited consolidated interim financial statements of the Issuer as at and for the six months ended 30 June 2023 and the unaudited condensed consolidated interim financial information of the Issuer as at and for the nine months ended 30 September 2023.

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.

This Base Prospectus contains, or incorporates by reference, certain financial measures and alternative performance indicators that the Issuer considers to constitute alternative performance measures (**APMs**) for

the purposes of the ESMA (European Securities Markets Authority) Guidelines on Alternative Performance Measures dated 5 October 2015 (the **Guidelines**). These APMs are not audited, reviewed or subject to review by the Issuer's auditors and are not measures required by, or presented in accordance with, IFRS. Many of these APMs are based on the Group's internal estimates, assumptions and calculations. These APMs provide management with a further tool for measuring the Group's performance. Investors should view the APMs as complementary to, and not a substitute for, the figures determined according to IFRS. Accordingly, investors are cautioned not to place undue reliance on these APMs. See further Section 10 (Alternative performance indicators) in the 2023 3Q Interim Report, Section 8.2 (*Alternative Performance Indicators*) (pages 111-113) appearing in Part 1 of the 2023 Half-Yearly Report and the paragraph "*Alternative performance Indicators*" (pages 435–436) in Part 1, Section 8 of the 2022 Annual Report, incorporated by reference in this Base Prospectus, for certain reconciliations in respect of the APMs required in accordance with the Guidelines.

### **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;
- **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, and
- 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 advisers 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.

### **MARKET STATISTICS**

Information and statistics presented in this Base Prospectus regarding business trends, market trends, market volumes and the market share of Poste Italiane or the Poste Italiane Group (as defined herein) are either derived from, or are based on, internal data or publicly available data from various independent sources. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources.

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## 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).**



## GENERAL DESCRIPTION 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 “*Risk Factors*”.

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  
Banca Akros S.p.A.  
BNP Paribas  
BofA Securities Europe SA  
Citigroup Global Markets Europe AG  
Crédit Agricole Corporate and Investment Bank  
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  
Nomura Financial Products Europe GmbH  
Société Générale  
UBS Europe SE  
UniCredit Bank AG

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

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting

requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “*Subscription and Sale*”).

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 “*Subscription and Sale*”.

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:	Floating Rate Notes will bear interest at a rate determined:  (a) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or  (b) 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.

**Benchmark discontinuation:** 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 Condition 4.3 (*Benchmark Discontinuation*) shall apply.

**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 withholding or deduction for or on account of any present or future taxes, duties, contributions, levies and imposts of any kind or nature imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction as provided in Condition 7 (*Taxation*), unless such withholding or deduction is required by law. In such event, the Issuer will, subject to certain exceptions set out in Condition 7 (*Taxation*), be required to pay additional amounts to cover the amounts so withheld or deducted.

**Negative Pledge:** The terms of the Notes will contain a negative pledge as set out in Condition 3.1 (*Negative Pledge*).

**Cross Default:** The terms of the Notes will contain a cross default provision as further described in Condition 9 (*Events of Default*).

**Status of the Notes:** The Notes will constitute direct, unconditional and (subject to the provisions of Condition 3.1 (*Negative Pledge*)) unsecured obligations of the Issuer (*obbligazioni*) 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 present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

**Rating:** The Programme has been rated Baa3 by Moody's, BBB by S&P and BBB+ by Scope. Moody's, S&P and Scope are established in the European Union and registered under the CRA Regulation. As such each of Moody's, S&P and Scope 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:

<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>

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.

**Listing, Approval and Admission to Trading:** 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.

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.

**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 (*Meetings of Noteholders and Modification*) 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 the BancoPosta ring-fenced capital (**BancoPosta RFC**, and the related business division, **BancoPosta**) and from Poste Italiane's subsidiaries (such as Poste Vita S.p.A. (**Poste Vita**) and PostePay S.p.A. (**PostePay**)), in the form of distributable profits, dividends or fees and/or, as the case may be, commissions from the provision of services such as the utilisation of the Issuer's distribution channels. However, the Issuer's assets and contractual relationships designated to BancoPosta RFC constitute a pool of assets that is destined exclusively for the performance of the activities of BancoPosta and segregated in all respects from the residual assets of the Issuer. As a consequence, in the event of the liquidation or winding-up of the Issuer, any proceeds realised from the sale of BancoPosta RFC's assets would be used to pay BancoPosta RFC's creditors before any residual proceeds can be made available to the Issuer and used to make payments 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 of a subsidiary, creditors of such subsidiary, including its trade creditors and lenders, would be entitled to satisfy their claims out of 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 its creditors (including Notes issued under the Programme) 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 (including the claims of trade and financial creditors, as well as contingent liabilities) of BancoPosta RFC or, as the case may be, of the Issuer's direct and indirect subsidiaries, 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. After the economic stagnation that characterised the last quarter of 2022, the first months of 2023 saw Italy's GDP growth driven by the manufacturing sector, which benefited from falling energy prices and the easing of "bottlenecks" along supply chains. In the following months, the economy slowed down, recording a drop in GDP in the second quarter. This phase of weakness in Italian economic activity, which extended to both manufacturing and services, continued in the third quarter of 2023 due to domestic demand still being negatively affected by the tightening of conditions for access to credit, the erosion of household incomes due to inflation, and the loss of vigour in the labour market. In the remainder of 2023, growth estimates remain moderate and are characterised by high uncertainty and downside risks mainly related to: the timing and outcome of the Russian-Ukrainian conflict, recent tensions in the Middle East, risks of international financial instability, and a level of inflation that, although declining, is expected to remain above the Central Banks' targets for the year. According to ISTAT estimates in October 2023, Italy's GDP growth in 2023 will be 0.7%, and will remain around that figure for 2024 (Source: ISTAT "*Italy's Economic Outlook 2023-2024*", 10 October 2023).

The global economy in 2023 is conditioned by declining global demand, high geopolitical uncertainty due to both the protracted Russian-Ukrainian conflict and the escalation of the Israeli-Palestinian conflict since October, and increasingly less favourable financial conditions for households and businesses. The International Monetary Fund (IMF), in its World Economic Outlook of October 2023, estimated global growth to be declining due mainly to ongoing monetary tightening in the major advanced economies and stability risks for the financial system, which became apparent in March 2023 with the collapse of some banking intermediaries in the US and Switzerland. In the latest World Economic Outlook of October 2023, IMF continues to forecast slow global recovery for advanced economies as well as a modest decline in growth for emerging market and developing economies, with core inflation generally projected to decline gradually.

The increase in uncertainty has produced significant effects on the European economy, affecting demand, supply, investments, prices, trade and overall economic growth. The global economic outlook is currently reliant on the gradual easing of global supply bottlenecks, falling energy prices and the recovery of the Chinese economy following the lifting of pandemic-related containment measures, but remains fragile due to lingering uncertainty fuelled by Russia's war with Ukraine and the possibility that pressures in global energy and food markets could reappear, leading to new price spikes and accelerating inflation.

Inflation and restrictive monetary policies have characterised the majority of 2022 and 2023 to date. In Italy, inflation has started to fall after peaking towards the end of 2022. The effects of restrictive monetary policies on domestic demand and the fading of the boost from construction incentives will likely be partially offset by the effects of the implementation of the measures in the PNRR (*Piano Nazionale di Ripresa e Resilienza*, the national recovery and resilience plan) – especially on investments – and the slowdown in inflation on private demand. On the other hand, the economic consequences, especially on the agricultural sector, of the wave of bad weather that hit the Emilia-Romagna region with dramatic effects in May 2023 will impact the local economy of this region in particular. See further the paragraphs "*Outlook*" and "*Business Model – Macroeconomic context*" in "*Interim Report on Operations at 30 June 2023*" of the 2023 Half-Yearly Report

and the paragraph “*Outlook*” at pages 8-9 of the 2023 3Q Interim Report, incorporated by reference in this Base Prospectus.

In addition to the macro-economic conditions, the business areas in which the Group operates are also heavily influenced by global macro-trends. The postal services market is going through a period of radical change, primarily linked to the digital transformation, which has influenced the volume of letters and parcels in circulation. At the macro-trend level, the continuing structural decline in traditional mail volumes, replaced by digital forms of communication (e-mail, instant messaging, etc.), is accompanied by an increase in the volume of parcels sent.

In particular, for the letter mail market, after a period of relative stability in volumes in 2021 (+0.2% compared to 2020), the structural downturn in the market continued in 2022 and there was a substantial decrease in traditional mailings (-6.3% compared to 2021) as an inevitable consequence of digitalisation processes and the transition from physical to electronic forms of communication (e-substitution) (Source: internal calculations based on AGCom data (quarterly observatories and 2022 annual report) and the latest available financial statements of companies operating in the postal sector). In 2023, market volumes are expected to decline further, albeit at a slower rate than in the pre-pandemic period. The parcel sector, after its exponential increase in the pandemic years, experienced a period of uncertainty in 2022 that did not, however, affect the value of the market. The effects conditioning the slowdown of the growth trend recorded in 2022 can be summarised as the general increase in costs brought about by the Russian-Ukrainian conflict, the rise in inflation with the consequent decrease in consumer purchasing power, and the lower propensity for private purchases (including online). For the year 2022, the market value of the parcel sector was higher than in 2021, but still below pre-pandemic levels. In 2023, the value of the parcel market is expected to grow, mainly due to the positive trend in e-commerce. See further paragraph 4.4.2 “*Mail, Parcels and Distribution Strategic Business Unit – Macroeconomic context*” in “*Interim Report on Operations at 30 June 2023*” of the 2023 Half-Yearly Report and paragraph 5.1 “*Mail, Parcels and Distribution Strategic Business Unit – Macroeconomic context*” of the 2023 3Q Interim Report, incorporated by reference in this Base Prospectus.

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 stabilise the affected countries and markets and secure the position of the Euro. The Poste Italiane Group 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 one or more of the different business areas in which Poste Italiane and its Group operate. 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 and its Group. Major shifts in consumer behaviour will also impact the business landscape of the market areas in which the Group operates.

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 and the geopolitical environment in general***

The first half of 2023 was characterised by the continuation of the conflict between Russia and Ukraine. In order to assess the impacts of the conflict for the Group, as requested by the national and international authorities (ESMA and CONSOB), Poste Italiane has conducted an update of the current and future impacts of the Russian-Ukrainian conflict and of the sanctions issued to Russia and Belarus by state and supranational authorities, on the activities, the financial situation and the economic results of the Group, in consideration of the available evidence and the scenarios that can be conceived at the date of preparation of its recent annual and interim financial statements.

The potential direct impact of the conflict on the Group appear limited also in light of the fact that the Group's operations are almost entirely located within the national territory and with no dependencies in the value chain with the countries involved. In particular, monitoring of the existing relations between the Group and the parties directly or indirectly involved in the conflict led to the following findings:

- with reference to the Parent Company, the existence of relations with the corresponding foreign postal administrations of Russia, Belarus and Ukraine have credit and debit balances of insignificant amounts; and
- with reference to the business of the Group's Insurance Services Strategic Business Unit in the life insurance sector (the **Life Business**), within the multi-asset funds, there are some indirect exposures to the countries involved that represent a non-significant portion of the relevant net asset value.

In addition, the protraction of the Russian-Ukrainian conflict, and the inflationary dynamics exacerbated by the conflict, have led to (*inter alia*) an increase in the cost of fuel and raw materials, a slowdown in the growth of parcel volumes (particularly in the B2C segment) as a result of inflationary effects and reduced purchasing capacity in e-commerce, and have adversely impacted postal savings. See further the paragraphs "*Impacts resulting from the Russian-Ukrainian Conflict*" in the "*Report on Operations at 31 December 2022*" of the 2022 Annual Report, and the paragraph "*Russia-Ukraine conflict and impacts on estimates*" in the 2023 Half-Yearly Interim Report.

More generally, the geopolitical context, characterised by phenomena such as the return to protectionism, military conflicts, large-scale migrations, increased perception of social inequality and populism, is provoking extremist movements and potentially endangering international cooperation, which could lead – according to the most extreme scenarios – to military (also in light of the conflict in Ukraine and the more recent conflict in the Middle East), biological, chemical, cyber and/or physical attacks. All of these events could adversely affect global business and the political environment in general.

The current geopolitical context has had major impacts on the macro-economic context, putting pressure on global supply chains and commodity markets and fuelling inflationary dynamics on a global scale. In the major advanced economies, this has led to a slowdown in economic activity attributable to weakening demand and the start of a cycle of tightening monetary policies adopted by the major central banks to counter rising inflationary pressures. A protraction of adverse geopolitical conditions could result in negative impacts on Group operations, including: difficulty in developing reliable forecasting models that allow the Group to predict market developments; increased raw material costs and procurement difficulties (e.g. oil, gas); business activities being suspended in areas involved in the conflict (e.g. international shipments stopped) and/or restrictions on international trade relations (e.g. trade compliance bans); substantial changes to aggregated market demand due to price inflation, affecting financial forecasts in the company's strategic plans; and/or poor company liquidity due to difficulties in securing credit lines or it becoming impossible to refinance existing loans. Overall cost inflation may have material effects on the labour contracts of the Poste Italiane Group, as well as on commodities and outsourced transportation and logistics services. These effects may adversely impact the Group's financial results, as market prices may not immediately reflect cost changes, both due to market and competition constraints and to limitations of the Universal Postal Service obligations.

Poste Italiane continually monitors developments in the political, social and macro-economic context and regulatory concerns that could impact the Group's business and operations, so as to identify and prioritise the response measures to be undertaken based on the different macro-economic scenarios and geopolitical projections. In particular, as part of the Group's integrated compliance process, Poste Italiane continuously monitors the external regulations relevant to the Group and translates all the regulatory principles into the body of rules necessary to guarantee their application, also with reference to legislation applicable to international trade relations. In addition, Poste Italiane carries out checks on counterparties in order to assess their legal, technical and professional requirements, financial stability and to identify variables with an impact on revenue and costs, also in consideration of geopolitical scenarios. See further the paragraph "*Geopolitical instability*" in Part 1, Section 6 (*Risks and opportunities*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus. If the Poste Italiane Group is unable to react and adapt to these developments promptly and in an appropriate manner, including as a result of failures in its monitoring and compliance processes, its revenues, results of operations and/or financial condition could be adversely affected.

### ***Intense competition in the sectors in which Poste Italiane operates***

The Group's competitors in the mail sector are mainly focused on high-value urban areas and customers, characterised by lower operational costs and higher profitability. Over the years, some of these operators have



consolidated their presence, especially with the gradual opening of the notification services to tender processes, leveraging on price competition. At the same time, the Universal Postal Service mission requires 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 – resulting from the Universal Postal Service obligation – on the Group’s ability to choose where and how to carry out its postal services operations, could result in declining margins for the Group 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 traditional mail services in Italy and abroad (for further details, see “*Description of the Issuer – Business of the Group – 1. Mail, Parcels and Distribution*”). This will be particularly evident with respect to registered mail, following the regulatory changes fostering a transition of the notification process to a digital platform driven by PagoPA, as described in the section “*Mail, Parcels and Distribution – Digital notification of PA documents – New platform*”. In general, a continuing decline in demand may have a material adverse effect on the Group’s financial results.

With specific reference to the parcels sector, the competitive pressure mainly derives from international and consolidated operators with higher investment capacity and different business models than the Issuer. The Italian and European parcels markets are undergoing a consolidation phase that might further intensify 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, changing trends in e-commerce can impact delivery volumes, and thus profitability of operators in the parcels sector, including Poste Italiane.

If the 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 Group’s revenues, results of operations and/or financial condition could be adversely affected. Inability by the Group to respond to competitive pressures with an offering of products and value-added services that satisfy its customers may result in a loss of market share and/or impact customers’ willingness to pay, with consequential negative impact on the financial results of the Group’s mail, parcels and distribution strategic business unit.

In the financial services sector, the Issuer’s BancoPosta activities – notwithstanding the differences from the full range of 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 unable to respond timely and appropriately to the competitive pressures in the banking sector, it might lose customers, which would consequently have a negative impact on the financial results of the Group’s financial services strategic business unit.

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**) offering a comprehensive range of e-payment solutions and payment services. The activities of EMIs are subject to stringent legislation, which requires the ring-fencing of funds received from customers and compliance with other restrictions (for further details, see “*Description of the Issuer – Regulatory Framework – Payments and Mobile*”). The electronic payment industry is facing increasing competition from non-traditional operators (many of whom have the support of considerable financial resources and network capabilities) offering alternative payment solutions, and an operator’s competitiveness is reliant on its ability to keep up with emerging payment trends. As such, if PostePay, acting as an EMI, is not able to rapidly develop new e-money and payment services and respond effectively to the competitive pressures of this industry, it might lose customers and demand for its services may materially decrease, which would consequently have a negative impact on the financial results of the Group’s payments and mobile strategic business unit. In particular, the Group may lose its positioning in the

electronic payment market as a consequence of the launch of new payment solutions by other operators. See further the paragraph “*Evolution of the Payment System*” in Part 1, Section 6 (*Risks and opportunities*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus.

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 both banking and insurance products and services, leveraging on their respective distribution channels. If the Group is not able to respond to the competitive pressure with an offering of products and services that satisfy its customers, it might lose its market share, which would consequently have a negative impact on the financial results of the Group’s insurance services strategic business unit.

### ***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*

The provision of the Universal Postal Service in Italy is subject to compliance with a comprehensive framework of laws and regulations, which provide for (*inter alia*) specified quality targets and price cap/control and approval mechanisms. See further “*Description of the Issuer - Regulatory Framework – Mail, Parcels and Distribution*”.

There is a risk linked to the determination and payment of the compensation to cover the cost for the provision of the Universal Postal Service (**CUS**), which is calculated on an annual basis by Poste Italiane as supplier of the Universal Postal Service, and subject to assessment by the competent authority, *Autorità per le Garanzie nelle Comunicazioni* (**AGCom**) as well as verification by the European Commission for compliance with the applicable EU rules on state aid. The compensation to cover CUS is paid by the Italian State, also out of a special compensation fund that is to be funded by contributions by undertakings providing substitutes of universal services (the **Compensation Fund**). In particular, there is a risk that the actual compensation for the provision of the Universal Postal Service received by Poste Italiane is significantly lower than the net cost ascertained by AGCom, as a result of the non-availability of funds to compensate the CUS of one or more financial year(s) assessed by AGCom.

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. AGCom 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. With AGCom Resolution 28/23/CONS, published on 24 February 2023, the Authority initiated the verification procedure for calculating the net cost of the Universal Postal Service for the years 2020 and 2021. An appeal has been lodged by Poste Italiane in September 2022 in respect of the compensation for the 2017-2019 period and the dispute is pending; and there are similar appeals outstanding relating to compensations for other years. See further “*Regulatory Framework – Mail, Parcels and Distribution – recent history and current framework*” in the “*Description of the Issuer*” section.

The programme agreement currently in place that governs the provision of the Universal Postal Service by Poste Italiane for the 2020-2024 period was signed between Poste Italiane and the Ministry of Economic Development (*the MED, Ministero dello Sviluppo Economico*) on 30 December 2019, and provides for Poste Italiane to receive a maximum compensation to cover the cost of the Universal Postal Service in the amount of €262 million per year, which compensation has been approved by the European Commission as fully compliant with the applicable EU rules on state aid. There is a risk that the methodology applied by AGCom could lead, in the future, to an assessment by AGCom of the net cost of the Universal Postal Service that is lower than the amounts from time to time agreed between the Issuer and the Italian State in the programme agreement (see “*Regulatory Framework – Mail, Parcels and Distribution – recent history and current framework*” of the “*Description of the Issuer*” section).

The aforementioned factors could, over time, have a negative effect on the operating margins and financial results of the Group’s mail, parcels and distribution strategic business unit.

Poste Italiane receives - for the entire duration of the Universal Postal Service - subsidies for postal services provided to publishing houses and non-profit organisations, as compensation for the discounts on tariffs applied to publishers and non-profit organisations when sending mail. The subsidies for 2017-2019 were approved by the European Commission in July 2019, and although the Italian authorities have commenced the procedure to notify the subsidies for the 2020-2026 period for verification of compatibility with state aid legislation, there can be no assurance as to the outcome of this procedure, which is still pending. There is also the risk that funds allocated from time to time in the Italian State Budget for publisher tariff subsidies are insufficient to meet the compensation amounts to be paid to Poste Italiane. See further “*Regulatory Framework – recent amendments to the Universal Postal Service and the Poste-MIMIT Programme Agreement*” of the “*Description of the Issuer*” section.

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 if renewed, the economic terms and other conditions of the renewal, and (ii) the reduced tariffs regime for publishers and the subsidies framework will still be in place.

#### *Risk related to the regime for access to the universal postal network*

The right to direct access to the universal postal network is regulated in Italy by rules issued by AGCom, including (*inter alia*) Resolution 384/17/CONS containing “Changes to the provisions governing access to Poste Italiane’s postal network and infrastructure” published by AGCom in October 2017 (as amended from time to time, including by Resolution 171/22/CONS of June 2022). These resolutions establish 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, which needs to be complied by Poste Italiane in offering business mail products. There is a risk that AGCom’s final resolution on the mechanism may hamper the commercial flexibility of the Group’s postal operations in the context of public and private tenders.

There is a potential risk that the applicable rules and any future changes thereto, and the outcome (if unfavourable) of appeals by third-party operators, could result in the imposition of stricter (or less favourable) conditions for access to Poste Italiane’s network by third-party operators, that could accelerate the decline in volumes of universal postal services and/or otherwise impact the Group’s postal operations and revenues. See further “*Regulatory Framework – Mail, Parcels and Distribution - recent amendments to the Universal Postal Service and the Poste-MIMIT Programme Agreement*” of the “*Description of the Issuer*” section.

#### *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*). Law 124/2017 also provides 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, a number of regulatory provisions have been subsequently issued aimed at a gradual opening of the market. Most recently, Resolution 78/23/CONS of March 2023 introduced less stringent obligations for operators which provide such services. There is a risk that changes in the rules established by AGCom on the issuance of licences will expose the Poste Italiane Group to an increase in competitive pressure in the provision of an integrated notification service, with consequential negative impact on the Group’s revenues from this line of activities.

#### **Operational risks**

The Group is exposed to several types of operational risks. The Group’s systems and processes are designed and structured for identifying, assessing and managing operational risks. 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. See further the paragraph

“Cyber Risk” in Part 1, Section 6 (*Risks and opportunities*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus; (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. The occurrence of any of the aforementioned events and the associated disruptions to the Group’s operations could adversely affect the Group’s business, financial condition and/or results of operations.

Transportation costs form a significant part of Poste Italiane’s mail and parcel business cost base. In the exercise of its new energy business, the Group seeks to mitigate risks through physical purchases of commodities at a fixed price or through physical purchases at spot price with the addition of derivative financial instruments (commodity swaps/futures) and through forecasting activities of sales volumes and pricing of these risks.

Any increase in costs stemming from commodity price fluctuations, in particular, fluctuating fuel prices, which cannot be passed on to customers via operating measures or otherwise effectively mitigated, could adversely affect the Poste Italiane Group’s results of operations and/or financial condition.

Management of operational risks takes place at both the level of specialist units within the Group (BancoPosta Risk Management and Outsourcing Governance, Poste Vita Group Risk Office and PostePay Risk Management and Compliance) in compliance with the respective supervisory standards, and at an integrated level involving the Group Sustainable Development, Risk and Compliance function (SSRCG). Any failure or weakness in the Group’s monitoring system could adversely affect revenues, financial condition and/or results of operations of the Group.

### ***Risks related to personnel***

The Group’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 area coverage and delivery standards. Following the decline in physical mail volumes in recent years, the Issuer has put in place an incentivised redundancy plan based on low social impact instruments, such as consensual resolutions, in order to maintain an efficient relationship 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 Group, with consequent negative impact on its financial results.

For the year ended 31 December 2022, the ratio between the Group’s consolidated cost of personnel (Euro 5,226 million) and its total costs (Euro 9,598 million) was around 54%. For the first half of 2023, the ratio between the Group’s consolidated cost of personnel (Euro 2,432 million, or Euro 2,683 million without taking into account IFRS 17) and its total costs (Euro 4,484 million, or Euro 4,855 million without taking into account IFRS 17) was around 54% (or 55% without taking into account IFRS 17). Based on internal estimates, a large majority of the Group’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 customers, with consequent negative effect on the Group’s image, results of operations and financial results.

### ***Failure to manage human rights risks could affect the Group’s reputation and impact its operations***

As part of the Group’s ESG commitment, Poste Italiane has established the “Group policy for the protection of Human Rights”, and has adopted a specific “Diversity & Inclusion Policy” with the aim of fostering a corporate culture based on respect for and appreciation of diversity, in line with the principles already stated in its code of ethics. The policy also aims to define the modalities for creation of value within working

environments, valuing diversity in all its forms and assessing the risks associated with the occurrence of discrimination within the company.

Furthermore, the Group's risk management model envisages, through the application of risk assessment procedures, the periodic identification of business activities and organisational areas that could entail a risk of human rights violations, focusing both on Poste Italiane's own operations and on the activities carried out by suppliers, sub-contractors and other counterparties. This process is carried out at least annually and aims to identify risk drivers (such as discrimination, salary and working conditions and, occupational health and safety) and measures to mitigate risks, as well as to define relevant action plans. See further the paragraph "*Poste Italiane's commitment to managing human rights risks*" in Part 1, Section 6 (*Risks and opportunities*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus. Failure to identify and address (potential) violations of these risks can impact the Group's operations and damage its reputation.

### **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, hold sovereign debt securities amounting to (in nominal value) Euro 155.6 billion as at 30 June 2023 (Euro 152.4 billion as at 31 December 2022). The sovereign debt securities held by the Group are mostly issued by the Republic of Italy, and, for almost the entirety of the 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 the Poste Italiane Group'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. See also the paragraphs "*Financial Risks*", "*Fair value interest rate risk*" and "*Cash flow interest rate risk*" in Part 2, Section 6 (*Risk Management*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus. There can be no assurance that the exposure to interest rate risk can be fully mitigated by these instruments.

#### ***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;
- Moody's: Baa3/Stable; and
- Scope: BBB+/Stable.

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, with outlook cut to negative in August 2022 but revised upwards to stable in November 2023, and is currently rated BBB by Fitch. Any future downgrades of Italy's credit rating (or worsening of its outlook) may have a knock-on effect on the credit rating (and outlook) 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 the nature of its business activities, the Poste Italiane Group has credit exposures to the Italian governmental bodies, for instance, relating to payment of remuneration for the provision of the Universal Postal Service, compensation for publisher tariff subsidies and integrated notification services. Prompt and full payment of the amounts due from the Italian State and from central/local governmental bodies is dependent on the availability of the necessary funds in the Italian State budget or in the budgets of the relevant public administration entities. Therefore, the Poste Italiane Group'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 2022, Poste Italiane Group's amounts outstanding due from central and local authorities amounted to Euro 958 million (Euro 636 million as at 31 December 2021), gross of provisions for doubtful debts. See further the paragraph "*Revenue and amounts due from the State*" in Part 2, Section 2 (*Basis of preparation and significant accounting policies*) and the paragraph "*Credit risk*" in Part 2, Section 6 (*Risk Management*) of the consolidated financial statements as at December 2022 included in the 2022 Annual Report, incorporated by reference in this Base Prospectus.

### ***Risks related to the transfer of funds within the Group***

In 2022, the Mail, Parcel and Distribution Strategic Business Unit had revenues from other business sectors of Euro 4,862 million (Euro 4,696 million in 2021). 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 2022 the Issuer received Euro 641 million of dividends from its subsidiaries (of which Euro 397 million from Poste Vita) and Euro 308 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 profit, financial position and results of operations of the Issuer's subsidiaries and/or of BancoPosta RFC, or a contraction in their business volumes with consequential fall in fees and commissions receivable by the Issuer, may significantly reduce the volume of those funds. Similarly, the availability of those funds could be affected by legal and regulatory constraints imposing restrictions on the transfer of funds to the Issuer by its subsidiaries and/or BancoPosta RFC (for example, by reason of solvency ratio of the insurance operations of the Poste Vita insurance group or capital adequacy requirements of the banking operations of BancoPosta RFC).

### ***Risks related to the execution of the Group's strategy***

The ability of the Group to optimise its revenues and to improve its position in the markets in which it operates depends, among other things, on successfully achieving the goals set out in its strategic plan. 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 strategic plan, the Group has (*inter alia*) implemented a series of initiatives such as the Group labour contract (valid until December 2023), a renewed five-year partnership with Amazon in the e-commerce sector (2021-2024), a new partnership with DHL, a new agreement for the placement and distribution of postal savings bonds and postal savings passbooks with Cassa Depositi e Prestiti (2021-2024), the acquisition of Net Insurance S.p.A. (**Net Insurance**, which in turn owns Net Insurance Life S.p.A. (**Net Insurance Life**)) and LIS Holding S.p.A., and the new Poste Energia offer for electricity and gas. All these initiatives represent a concrete way to successfully deliver the strategic plan.

If the Group was unable to implement its growth strategy successfully, or to effectively integrate acquired operations and realise the anticipated benefits from acquisitions and strategic alliances, 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 (including Presidential Decree No. 144 of 14 March 2001 and Law No. 296 of 27 December 2006). These provisions explicitly exclude BancoPosta RFC from engaging in lending activities to the public. BancoPosta RFC is required to invest all the funds deriving from deposits paid into postal current accounts by private customers in Eurozone sovereign debt securities; up to a maximum of 50% of the total amount of such deposits may be invested in securities guaranteed by the Italian State; and within the aforementioned limit of 50%, since July 2021 BancoPosta RFC is allowed to use a maximum of 30% (i.e. 15% of the total amount) to purchase transferable tax credits (for further details see “*Description of the Issuer – Business of the Group – 3. Financial Services*”). BancoPosta RFC may furthermore place a percentage of the funds from private customers’ deposits in a special buffer account with the MEF bearing interest at a variable rate corresponding to ESTR (Euro Short Term Rate). The funds deriving from public sector entities’ deposits must be invested in a deposit with the MEF remunerated at a variable rate of return linked to a basket of government securities. These legislative provisions, which are subject to amendments from time to time, impose strict limitations on the manner in which BancoPosta RFC may conduct its business activities and invest its funds. See further the paragraph “*Information on BancoPosta RFC*” in Part 2, Section 5 (*Poste Italiane SpA Financial Statements at 31 December 2022*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus.

BancoPosta RFC’s financial services business is exposed to certain risks which may have an impact on its financial condition and results of operations, including (i) operational risks; and (ii) banking book risks related to the debt securities in which funds are invested. 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 amortisation profile of the liabilities, and the volatility of such liabilities.

In addition, the placement activities carried out by BancoPosta may lead to reputational risks linked 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 S.p.A. (**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 adversely affected by loss resulting from potential customer claims and damages to BancoPosta’s reputation may lead to 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 (postal bonds and postal savings passbooks) 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 cross-selling of postal savings passbooks and postal savings bonds.

Due to the macroeconomic scenario, the net inflows on postal savings passbooks and postal savings bonds for 2023 are negative and below the collection target set out in the agreement for 2023. In this connection, the Issuer and CDP have established an action plan aimed at enhancing the collection of postal savings products. If the actions envisaged by the plan are not sufficient to meet the minimum threshold levels 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.

## **Insurance services risks**

### ***Market risks from investments***

The Insurance Services Strategic Business Unit represents a significant part of the Group's business and, in 2022, reached an operating profit of Euro 1,350 million, amounting to approximately 59 % of the Group's operating profit of Euro 2,291 million. This business segment comprises both Life Business (made up of Poste Vita and, from April 2023, Net Insurance Life) and P&C Business (made up of Poste Assicura and, from April 2023, Net Insurance): for further details also in relation to the Net Insurance acquisition, see "*Description of the Issuer – Business of the Group – 4. Insurance Services*"). A key part of the Life Business 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 unit-linked policies. Other investments in financial instruments relate to the investment of the Life Business's capital. As a result, the Life Business 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 2023, life insurance contract liabilities, net of the portion ceded to reinsurers, amounted to Euro 148.6 billion (Euro 139.6 billion as at 31 December 2022).

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 the Group's Life Business 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 changes in market value of 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. See further the paragraph "*Insurance risks*" in Part 2, Section 6 (*Risk Management*) of the consolidated financial statements as at December 2022, included in the 2022 Annual Report, incorporated by reference in this Base Prospectus.

### ***Non-life insurance services risks***

Poste Assicura (fully owned by Poste Vita) offers non-life insurance products and services (including motor insurance services for which insurance risk is borne by third carriers, since 2020). Since April 2023, the Group's P&C Business also comprises Net Insurance. 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 by reason



of excess-of-loss reinsurance coverage) 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 2022, Poste Assicura's non-life business technical provisions, net of the portion ceded to reinsurers, amounted to Euro 0.3 billion (Euro 0.4 billion as at 30 June 2023). See further the paragraph "*Insurance risks*" in Part 2, Section 6 (*Risk Management*) of the consolidated financial statements as at December 2022, included in the 2022 Annual Report, incorporated by reference in this Base Prospectus.

### ***Risks relating to the Solvency Requirements***

All companies belonging to Poste Vita group 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 of insurance and reinsurance undertakings. The Solvency Ratio of Poste Vita Group (calculated as the ratio between the own funds eligible to cover the solvency capital requirement and the regulatory minimum level calculated on the basis of the Solvency II framework) as at 30 June 2023, stood at 274%, an increase compared to 253% as at 31 December 2022, and remains well above the regulatory requirements. See further the paragraph "*Solvency Ratio performance*" in Part 1, Section 7 (*Creation of Value*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus.

In order 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 Poste Vita at solo and group level, 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 Poste Vita's core capital (**Restricted Tier 1** or **RT1**), in order to strengthen the Solvency Ratio of Poste Vita at solo and group level. In addition, on 3 August 2022, Poste Italiane further increased the capital provided to Poste Vita by subscribing another 10-year non-call RT1, amounting to Euro 500 million. These are in addition to a Euro 250 million perpetual Tier 2 loan granted by Poste Italiane to Poste Vita in 2008.

As an additional lever of capital management, Poste Vita has put in place ancillary own funds arrangements pursuant to which Poste Italiane has provided an irrevocable and unconditional undertaking to subscribe for up to €1,750 million of newly issued share capital on demand.

Under the Solvency II framework, the lead regulator may request Poste Vita and/or Poste Assicura to take further actions to strengthen their capital in order to achieve capital adequacy levels set under the framework applicable from time to time. Such requests may be due to a change in the legal or regulatory framework or as a result of external factors (including those described in the risk factor "*Market risks from investments*" above) which could lead to a worsening of their capital adequacy. Actions to be taken by the Group's insurance companies to strengthen their capital ratios could impact their ability to make discretionary distributions (such as dividends to the parent company and interest on Poste Vita's regulatory capital instruments) and/or affect their operations, and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

## **4. 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 services 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, evolution of the supervisory rules regarding the banking and insurance sectors may result in the need for additional capitalisation of BancoPosta RFC and the Poste Vita insurance group. Compliance with these laws and regulations requires, *inter alia*, ongoing adjustments to the Group's internal processes and procedures, constant monitoring of the market environment, introduction of initiatives designed to avoid violations and to prevent external disputes, and appropriate staff training, and these actions involve significant costs and resources. Any violation of the applicable rules (or allegations of

violation) could lead to the imposition of fines, remedial actions and/or disruption in operations, which may adversely affect the Poste Italiane Group's revenues, results of operations and/or financial condition.

### ***Risks related to cross-subsidisation and abuse of dominant position***

Under national antitrust legislations, 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 Article 8 Law no. 287/90 (the **Italian Antitrust Law**), pursuant to which the Italian national competition authority (**AGCM**) is entitled to issue measures aimed at promoting competition and avoiding market concentration. In particular, Poste Italiane S.p.A. is required to set up separate companies in order to supply services other than postal and banking services.

In light of the above, in accordance with an AGCM decision, article 8, paragraph 2-*quater* of Law No. 287/90 requires the Issuer to provide access to assets which Poste Italiane has exclusive availability for the provision of the Universal Postal Service - on the same technical and economic conditions provided to its subsidiaries - to competitors in any other relevant market in which the Group indirectly operates (e.g. the mobile communications services market, due to the presence of PostePay in that market).

Furthermore, national and European antitrust legislation prevents a company having a dominant position in a market from abusing its position in such market as well as 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. Poste Italiane is considered by both AGCom and AGCM to be the dominant player in some postal markets.

The imposition of sanctions against the Group by AGCom or AGCM and/or the European Commission in relation to possible abuses of dominant position, and restrictions imposed by competition rules, 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***

From time to time, Poste Italiane and its subsidiaries may become involved in disputes and litigation with Italian or European public authorities, regulatory and supervisory authorities, tax authorities, competitors and other parties. The outcomes of litigation and regulatory proceedings are inherently unpredictable. Legal or regulatory proceedings in which Poste Italiane or any subsidiary is or comes to be involved (or settlements thereof) may adversely affect the Poste Italiane Group's results of operations and/or financial condition. For proceedings currently considered by Poste Italiane 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 a benchmark 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.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an Original Reference Rate and/or any page on which an Original Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event (as defined in the Terms and Conditions) otherwise occurs.

Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Terms and Conditions), with or without the application of an adjustment spread and may include amendments to the Term and Conditions of the Notes to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer (acting in good faith and in consultation with an Independent Adviser). An adjustment spread, if applied could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of an Original Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of a Successor Rate or Alternative Rate (including with the application of an adjustment spread) will still result in any Notes linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the Original Reference Rate were to continue to apply in its current form.

There is also a risk that the relevant fallback provisions may not operate as expected or as intended at the relevant time.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate is determined, the ultimate fallback for the purposes of calculation of the Rate 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. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes 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 advisers 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 audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2021 (the **2021 Annual Report**), to the extent of the pages specified in the table below, available at <https://www.posteitaliane.it/files/1476557513302/Annual-Financial-Report-2021-PDF.pdf> :

### 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 106 to 129 (*)
5. Risks and Opportunities.....	Pages 130 to 185
6. Performance .....	Pages 186 to 430
7. Outlook .....	Page 432
8. Proposed shareholder resolutions 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. Basis for preparation and significant accounting.....	Pages 492 to 522
3. Material events during the year .....	Pages 523 to 527
4. Poste Italiane Group – Financial Statements for the year ended 31 December 2021 .....	Pages 530 to 602
5. Poste Italiane S.p.A. – Financial Statements for the year ended 31 December 2021 .....	Pages 608 to 688
6. Risk Management.....	Pages 692 to 733
7. Determination of fair value .....	Pages 734 to 740
8. Hedging transactions .....	Pages 741 to 746
9. Proceedings pending and principal 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. Events after the end of 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

(\*) pages 104 and 105 are not incorporated by reference

- (b) the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2022 (the **2022 Annual Report**), to the extent of the pages specified in the table below, available at <https://www.posteitaliane.it/files/1476584066849/Annual-Financial-Report-2022.pdf> :

### Report on Operations

1. Introduction.....	Pages 8 – 17
2. Highlights.....	Pages 18 – 32
3. Outlook .....	Pages 33 – 34
4. Business Model.....	Pages 35 – 105
5. Strategy .....	Pages 108 - 135 (*)
6. Risks and Opportunities .....	Pages 136 – 187
7. Creation of value.....	Pages 188 – 431
8. Summary of the resolutions of the ordinary Shareholders' Meeting and other information .....	Pages 432 - 434

- Alternative performance indicators .....	Pages 435 – 436
- Appendix .....	Pages 437 - 450
9. Consolidated non-financial statement .....	Pages 451 – 480
10. Glossary .....	Pages 481 – 485
Financial statements of Poste Italiane as 31 December 2022	
1. Introduction .....	Pages 492 – 493
2. Basis of preparation and significant accounting policies.....	Pages 494 – 532
3. Material events during the year .....	Pages 533 – 535
4. Poste Italiane Group Financial Statements at 31 December 2022.....	Pages 536 – 610
5. Poste Italiane SpA Financial Statements at 31 December 2022.....	Pages 614 – 701
6. Risk Management .....	Pages 702 – 744
7. Fair value of financial instruments.....	Pages 745 – 751
8. Hedging transactions.....	Pages 752 – 757
9. Proceedings pending and principal relations with the Authorities .....	Pages 758 – 764
10. Material non-recurring events and/or transactions.....	Page 765
11. Exceptional and/or unusual transactions .....	Page 765
12. Material events after the end of the reporting period .....	Pages 766
13. Additional information.....	Pages 767 – 787
14. Bancaposta RFC’s separate report for the year ended 31 December 2022 .....	Pages 788 - 929
.....	
Independent Auditors’ Report.....	Pages 1016 - 1036

(\* ) pages 106 and 107 are not incorporated by reference

- (c) the Issuer’s unaudited interim report for the six months ended 30 June 2023 (the **2023 Half-Yearly Report**), to the extent of the pages specified in the table below, available at <https://www.posteitaliane.it/files/1476593074976/Interim-Report-at-30-june-2023.pdf>:

Interim Report on Operations at 30 June 2023	
1. Reading Guide .....	Pages 8-9
2. Highlights .....	Pages 10-11
3. Outlook.....	Pages 12 – 13
4. Business Model.....	Pages 14 – 58
5. Risk Management .....	Pages 59 – 62
6. Creation of Value.....	Pages 63 – 110
7. Other Information .....	Pages 111 – 116
8. Appendix	
8.1 Reclassified statement of profit and loss and statement of financial position .....	Pages 117 – 124
8.2 Alternative Performance Indicators .....	Pages 125 – 126
8.3 Key Performance Indicators for principal group companies .....	Pages 127 – 133
9. Glossary .....	Pages 134 – 140
Condensed Consolidated Half-Year Financial Statements at 30 June 2023	
1. Introduction .....	Page 148
2. Basis of preparation and significant accounting policies .....	Pages 149 – 167
3. Material events during the period.....	Pages 168 – 171
4. Poste Italiane Group financial statements at 30 June 2023 .....	Pages 172 – 231
5. Fair value of financial instruments .....	Pages 232 – 234
6. Proceedings pending and principal relations with the authorities .....	Pages 235 – 237
7. Material non-recurring events and/or transactions .....	Page 238
8. Exceptional and/or unusual transactions.....	Page 238
9. Material events after the end of the reporting period.....	Page 238
10. Additional information .....	Pages 239-249
Independent auditor’s review report	Pages 250 – 252

- (d) the Issuer's unaudited interim report for the nine months ended 30 September 2023 (the **2023 3Q Interim Report**), to the extent of the pages specified in the table below, available at <https://www.posteitaliane.it/files/1476597880570/Interim-report-for-the-nine-months-ended-30-september-2023.pdf> :

Interim Report on Operations at 30 June 2023

1. Reading Guide .....	Pages 4 – 5
2. Highlights .....	Pages 6 – 7
3. Outlook.....	Pages 8 – 9
4. Group Structure, Corporate Governance and Organisational Structure.....	Pages 10 – 20
5. Strategy, Innovation and Digitalisation, Risk Management.....	Pages 21 – 54
6. Creation of Value.....	Pages 55 – 97
7. Other Information .....	Pages 98 – 107
8. Consolidated financial statements at 30 September 2023 .....	Pages 108 – 113
10. Alternative performance indicators .....	Pages 115 – 116
11. Glossary .....	Page 117 – 121

The information contained in the documents incorporated by reference that is not included in the cross-reference lists 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](http://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 depositary (the **Common Depositary**) 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; or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were

the Notes represented by the Permanent Global Note in definitive form. 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 Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying 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 TEFRA D 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 6 December 2023 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 of Singapore (as amended or modified from time to time, 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)].<sup>1</sup>]**

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 6 December 2023 [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, as amended (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 (ww.luxse.com) and [www.posteitaliane.it](http://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: [ ]

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<sup>1</sup> 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) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [ ] (the **Calculation Agent**)
- (e) 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 T2 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 T2 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)
- (f) Margin(s): [+/-] [ ] per cent. per annum
- (g) Minimum Rate of Interest: [ ] per cent. per annum
- (h) Maximum Rate of Interest: [ ] per cent. per annum
- (i) 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 6 December 2023 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 6 December 2023 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.luxse.com](http://www.luxse.com)) and [www.posteitaliane.it](http://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 (as defined 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 these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

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

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) 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 System or any successor or replacement for that system (**T2**) 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 below.

Screen Rate Determination for Floating Rate Notes

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

This Condition 4.2(b)(A) applies where in the applicable Final Terms the manner in which the Rate of Interest is to be determined is not the CMS Linked Interest. The Rate of Interest for each Interest Period will, subject to Condition 4.3 (*Benchmark Discontinuation*) and as provided below, be either:

- I. the rate or offered quotation; or
- II. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates or 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 rates or 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 subparagraph I above, no such rate or offered quotation appears or, in the case of subparagraph II above, fewer than three such rates or 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 bid rate or offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time (specified in the applicable Final Terms) on the Interest Determination Date in question.

If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable with bid rates or 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 bid rates or 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 a bid rate or 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 or the Calculation Agent, as applicable, 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 in question, 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 bid rates or offered rates, the bid rate or 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 bid rates or 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 specified in the applicable Final Terms on the relevant Interest Determination Date in question, 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; 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,

in each case selected by the Issuer or, if appointed, the Financial Adviser.

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

This Condition 4.2(b)(B) applies where “CMS Linked Interest” 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 **2006 ISDA Definitions**)) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the 2006 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.

**(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.

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

**(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:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> 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:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> 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:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> 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*), 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) (*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
- (f) a public statement by the supervisor of the administrator of the Original Reference Rate, an insolvency official with jurisdiction over the administrator of the Original Reference Rate, a resolution authority with jurisdiction over the administrator of the Original Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the Original Reference Rate, which states that the administrator of the Original Reference Rate has ceased or will, within a specified period of time, cease to provide the Original Reference Rate permanently or indefinitely, provided that, where applicable, such period of time has lapsed and provided further that at the time of cessation, there is no successor administrator that will continue to provide the Original Reference Rate.

**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 (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) 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 T2 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) the Clean-Up Call Redemption Amount of the Notes;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.5 *Early Redemption Amounts*); and
- (g) 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 6.5 (*Early Redemption Amounts*) 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 depositary 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 an amount (the **Amortised Face 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

<sup>y</sup> 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 (*Purchases*) 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, duties, contributions, levies and imposts of any kind or 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 for or on account of imposta sostitutiva pursuant to Italian Legislative Decree No. 239 of 1 April 1996 or, for the avoidance of doubt, Italian Legislative Decree No. 461 of 21 November 1997 (as amended by Italian Legislative Decree No. 201 of 16 June 1998), or any other 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;
- (g) where such withholding or deduction is required pursuant to the rules set out by Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (**FATCA withholding**); or

- (h) in respect of any Note where such withholding or deduction is required pursuant to Law Decree No. 512 of 30 September 1983, as amended or supplemented from time to time.

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.luxse.com](http://www.luxse.com). It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules 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 Issuer and the Principal Paying Agent may agree, without the consent of the Noteholders or Couponholders to:

- (i) any modification of the Notes, the Coupons or the Agency Agreement which, in the opinion of the Issuer, is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified 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.

## 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., acting through Intesa Sanpaolo S.p.A., London Branch as its agent for service of process, and agrees that: service may be effected at 90 Queen Street, London EC4N 1SA its registered London branch or, if different, its registered London branch for the time being; 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**, the **Parent Company** or the **Issuer**, and together with its consolidated subsidiaries, the **Poste Italiane Group** or the **Group**) 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). Poste Italiane is the Italian public postal operator and, in addition to postal services, the Poste Italiane Group provides a range of financial, payment, mobile and insurance services, through its extensive network of proprietary post offices and third-party outlets located throughout the Republic of Italy, and its digital infrastructure which, together, constitute the Group's omnichannel distribution network.

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, *Comitato Interministeriale per la Programmazione Economica*). The registered office of Poste Italiane is at Viale Europa 190, 00144 Rome, Italy (telephone number: +39 06 59581).

As at 30 June 2023, the share capital of Poste Italiane consisted of 1,306,110,000 ordinary shares. All the issued shares are fully subscribed and paid up. No preference shares have been issued and as at 30 June 2023, the Issuer held 10,675,798 treasury shares, representing 0.817% of Poste Italiane's share capital.

On 27 October 2015, the Issuer successfully completed the initial public offering (see "*Major Shareholders*" below) for the listing of its shares on the main market of the Italian stock exchange, Borsa Italiana S.p.A.. The ordinary shares of Poste Italiane are currently admitted to trading on Euronext Milan, the Main Market of the stock exchange (formerly named *Mercato Telematico Azionario*).

The Poste Italiane Group – including, for the avoidance of doubt, BancoPosta RFC – 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 well as the provision of 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 former insurance regulator ISVAP, *Istituto per la Vigilanza sulle Assicurazioni Private e di Interesse Collettivo*, 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 (**GPDP**, *Garante per la Protezione dei Dati Personali*), which oversees and regulates the gathering and management of personal data in all economic sectors;

- 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 all economic sectors in Italy;
- the Ministry of Enterprises and Made in Italy (**MIMIT**, *Ministero delle Imprese e del Made In Italy* – formerly MiSE – *Ministero per lo 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 with competence over electricity, natural gas, water services, waste cycle and district heating; and
- the Ministry of Environment and Energy Security (**MASE**, *Ministero dell’Ambiente e della Sicurezza Energetica*) which is in charge of the implementation of energy and 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 Italian Court of Auditors’ supervisory activities aim at ascertaining the lawfulness and correctness of Poste Italiane’s management activities and internal controls.

### **Creation of BancoPosta ring-fenced capital**

On 2 May 2011, pursuant to applicable laws and further to a resolution passed at the Issuer’s extraordinary general meeting, Poste Italiane established BancoPosta RFC, a ring-fenced capital (*patrimonio destinato*) to be used exclusively in relation to the “BancoPosta” activities of the Issuer. 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 destined exclusively for the satisfaction of claims relating to the activities of the Issuer carried out through BancoPosta RFC, segregated in all respects from the residual assets of the Issuer. Effective from 1 October 2018, the operations and assets constituting the electronic money and payment services business were contributed to PostePay (formerly PosteMobile S.p.A.), in order to enable it to operate as an electronic money institution, and in May 2021, the activities, assets and legal relationships constituting the “debit business” were released from BancoPosta RFC and conferred to PostePay.

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. See further “*Risk Factor – Risks relating to the structure of the Issuer and the Group*”.

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 controlled by the MEF through a direct holding equal to 29.26%, and an indirect holding through Cassa Depositi e Prestiti (the Italian national promotional institution, 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. Article 19(6) of Law Decree No. 78 of 1 July 2009 (as converted with amendments into Law No. 102 of 3 August 2009) has also clarified that for the purposes of Article 2497(1) of the Italian Civil Code (which sets forth the circumstances under which companies and entities that exercise the direction and coordination activity over a company can be held liable vis-à-vis such company's shareholders), references to "entities" shall not include the Italian State.

## Group structure as at 30 September 2023

For an illustration of the ownership and organisational structure of the Poste Italiane Group as at 30 September 2023, see paragraphs 4.2 (*Poste Italiane's Organisational Structure*) and 4.3.1 (*Poste Italiane's ownership*) and the Group structure chart at paragraph 4.4 (*Group structure and main corporate actions during the period*) at pages 12-14 and 16-17 of the 2023 3Q Interim Report, incorporated by reference in this Base Prospectus.

## The omnichannel distribution network

The Group can count on an omnichannel 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 omnichannel strategy, allows the Group 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 the Poste Italiane Group to quickly respond to changes in the market by leveraging its digital platforms which take advantage of technological innovation to create new personalised products and services and by opening up additional channels of communication with its customers.

The Group's integrated omnichannel platform provides customer care and all its services through three channels:

- the proprietary physical network: this network is composed of 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 of approximately 55,000 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 12,755 post offices as of 30 June 2023, with a workforce of some 29,100 postmen and women (average number for the first six months of 2023).

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 kg). 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.

(**Nexive**) and its group of companies (the **Nexive group**), an additional delivery network was added, consisting of Nexive's external delivery partners, which increasingly focus on the hand-delivery of packages and mail directly to the customer.

#### *Digital infrastructure and remote contact points*

The Web (poste.it website, the Group's consumer and business portal) and App (BancoPosta; PostePay; Ufficio Postale; and PosteID) channels provide access to online services for some 36.8 million retail users as at 31 December 2022 (33.8 million as at 31 December 2021), operating as both direct sales and after-sales channels. During the first half of 2023, the daily average number of Web and App users was 6.23 million.

#### *Third-party physical network*

The third-party network is composed of approximately 55,000 retail outlets (as at 30 June 2023) with a crucial role in the Group's omnichannel 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's objective is 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.

The acquisition of LIS Holding S.p.A. (**LIS Holding**) in September 2022 boosted the operations of the omnichannel platform, increasing average daily customer interactions by about 0.6 million. In particular, operations increased significantly in the third-party network channel, which was supplemented by certain new products (telephone top-ups of other operators, pagoPA and other services) following the acquisition. The omnichannel platform reached about one million average daily transactions in the first half of 2023 (+161% compared to 2021), of which LIS accounted for about 88%.

During 2022, the Punto Poste network expanded with the entry of more than 1,600 new contact points. At 31 December 2022, the Punto Poste network had more than 15,000 contact points, including tobacconists, bars, stationers, newsagents, shops and KiPoints, as well as 80 enabled Carrefour supermarkets. During the first half of 2023, the Punto Poste network was expanded by about 600 new contact points and had about 15,600 contact points at 30 June 2023.

### **Strategy and Business Plan**

On 18 March 2021 the Board of Directors of Poste Italiane approved a four-year strategic plan: "2024 Sustain & Innovate" (the **24 SI Plan** or the **Strategic Plan**), designed to build on 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 and, on 29 March 2023, approved the 2023 guidance in conjunction with the consolidated 2022 results.

The 24 SI Plan aims to continue to deliver coordinated growth opportunities across all business segments of the Group. In pursuit of these opportunities, the Group plans to:

- take action to confirm the Group's role as a strategic pillar for Italy;
- deliver responsible growth, in support of 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
- for the Payments and Mobile strategic business unit, keep payments as the core business and build on the telecommunication business, whilst offering more value-added services such as the energy product offer (for further details, see "*Business of the Group – 2. Payments and Mobile*" below).

### ***Mail, Parcel and Distribution***

After a 2022 of substantial stability in the parcels and logistics segment, 2023 has witnessed a return to growth, despite uncertain macroeconomic conditions. Against this backdrop, the Group aims to accelerate its transformation towards becoming an "all-round" logistics operator. Implementation of this strategy is based on streamlining its distribution networks, including the integration of Nexive, consolidation of its leadership in the B2C (business to consumer) market and growth in the C2X (consumer to consumer/business) and B2B (business to business) markets through the introduction of specific offers and initiatives aimed at improving the customer experience. With this in mind, the Group has implemented a number of initiatives, which include the acquisition of Plurima S.p.A. (finalised in 2022, and aimed at entering the specific sector of hospital logistics), the renewal of its partnership with Amazon for 5 years, a partnership with DHL (signed in March 2023) which confirms the Group's commitment to the development of its international business, and a new partnership that enabled the launch of the "fresh" express courier service for the home delivery of food products. In the mail market, the Group will continue to adapt its offer and its rates, managing the structural decline in traditional mail linked to e-substitution.

### ***Payments and Mobile***

The Payments and Mobile strategic business unit aims to establish itself as a complete and omnichannel platform for its customers. Through the expansion of its product offering, and leveraging its ability to exploit physical and digital channels and third-party networks, the Group aims to fully exploit cross-selling opportunities, thereby increasing value for the Group as a whole. The acquisition of LIS in 2022, a leader in proximity payments, is designed to enable an acceleration of the Group's omnichannel strategy, with the development of new services facilitated by the complementary nature of the tobacconist network with post offices and digital channels. The new Poste Energia offer for electricity and gas was launched on the market during 2023 and is also available on digital web and app channels: as at 30 June 2023 roughly 300,000 contracts have been signed since the launch of the service. With a view to enhancing LIS's proximity network, new services will be implemented at the network's affiliated points (e.g. cardless withdrawals, which are already available at the Postamat ATM network) and there are also plans to promote new cross-selling opportunities with Poste Group services.

The Group has maintained its commitment to digital transformation by continuing to support customers, businesses and public administration in the digitalisation process. The acquisitions of Sourcesense S.p.A. and Agile Lab S.r.l., finalised in 2022, which operate in the IT and data management sectors respectively, aim to accelerate the Group's digital transformation. The most important initiatives in the omnichannel sphere include the integration of financial functions into the Ufficio Postale app, which is expected to gradually replace the BancoPosta and PostePay apps with transversal functions and a revised and optimised user experience to enable new sales models and digital customer relations.

As part of the National Recovery and Resilience Plan, the Group will invest in the implementation of "Polis", a strategic project to support the country's social cohesion with particular reference to approximately 7,000 municipalities with a population of less than 15,000 inhabitants, transforming the Post Office into the "home of the public administration's digital services". Some 250 co-working spaces nationwide are also planned, as well as the implementation of numerous initiatives to support the country's energy transition.

## ***Financial Services***

The Financial Services strategic business unit aims to further evolve its service model by combining the traditional physical model with the opportunities provided by technological innovation. The priorities of the Strategic Plan include growth in wealth management, thanks to the diversification of customer portfolios to optimise their risk-return profile, the integration of P&C policies within the advisory model and a renewed focus on loans, with particular emphasis on the salary-backed loan market, also thanks to partnerships signed with leading operators in the sector. Postal savings will remain at the centre of the Group's financial services offering, with a renewed and competitive commercial proposition. The commitment to digitising the customer experience in order to make it more intuitive, faster and safer through the use of increasingly sophisticated technologies will also continue.

## ***Insurance Services***

The Insurance Services strategic business unit plays an important role in the Group's profitability. The unit aims to establish itself as an insurance operator capable of serving all customers' investment and protection needs, leveraging on Poste Vita's leading position in the Life business and developing the P&C business with an integrated modular offering of customised protection, assistance and service solutions. Through the acquisition of Net Insurance and Net Insurance Life (finalised during the first half of 2023), management aims to accelerate the Group's growth and profitability in the protection business.

## ***People, capital expenditure, financial results and capital structure***

The Group promotes continuous training opportunities to develop the knowledge and skills of its personnel, and to keep up with evolving business needs and innovations, as one of the main drivers of its competitive advantage in the market. Staff training and development is part of a much larger project and, in line with business principles and the needs of the market, customers and regulations, the Strategic Plan envisages about 25 million hours of training in the 2020-2024 period.

The 24 SI Plan's objectives are supported by an investment programme, aimed at driving innovation across all businesses while keeping the ratio of capital expenditures to revenues stable through efficient business management and a conservative cost strategy.

The Strategic Plan aims to preserve the Group's strong capital position, including the regulatory capital position of its banking and insurance operations. In particular, BancoPosta has a strong capital position, with CET 1 (Common Equity Tier 1) ratio at 20.3% at the end of 2022 (20.0% as at 30 June 2023). BancoPosta RFC'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 itself is not impacted by government bond volatility and its unique business model is focused on the distribution of third-party products, loans and mortgages which, in turn, results in low capital absorption. BancoPosta RFC 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 respect of the Group's insurance business, the Strategic Plan's objective is to consolidate the solid capital position to ensure compliance with regulatory requirements and the internal risk appetite framework. The intention is to maintain a strong capital position under the Solvency II framework, with a commitment to reduce the sensitivity of the Solvency II ratios 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.

## **ESG Strategy**

Being sustainable for Poste Italiane means defining a clear strategy on ESG issues and structurally incorporating it within the strategic objectives set out in the 24 SI 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 Group’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 to 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 (*inter alia*) entering the energy market with a 100% renewable energy offer and offsetting CO<sub>2</sub> emissions through the development of *ad hoc* tools in order to help the country achieve carbon neutrality targets by 2030. Poste Italiane aims to clearly communicate the new comprehensive approach adopted by the Group, which integrates environmental issues into all of the products, services and processes of the Poste Italiane Group.

As part of this approach, 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 a process to decarbonise its buildings through the installation of photovoltaic panels on its buildings. Furthermore, the “Smart Building” project was promoted to install automated and remote management systems at small/medium Poste Italiane locations for monitoring consumption, weather conditions inside and outside of the buildings and the implementation of systems which regulate and manage the air conditioning, heating and lighting systems.

Finally, the Polis project which envisages the installation of 5,000 electric vehicle charging stations and 1,000 photovoltaic panels, will contribute to increased energy efficiency and green mobility.

The “*Creating value for the country*” pillar expresses the Group’s commitment to create and deliver shared values 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 where it conducts its business activities, supporting modernisation and digitalisation, promoting well-being for citizens and socio-economic development to generate a positive impact on the communities through organic and widespread social inclusion initiatives. In this respect, Poste Italiane contributes to the achievement of a number of sustainability development goals (SDGs) defined within the 2030 Agenda of the United Nations, through initiatives 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); and 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), Stoxx Global ESG Leaders and Integrated Governance Index. In addition to these, there are also ratings from important international agencies, such as the “AA” from MSCI, the “A-” from CDP (formerly, the Carbon Disclosure Project) and the maximum score obtained in the 3 E-S-G dimensions analysed by ISS. The Group was confirmed by Sustainalytics as a top ESG performer 2023 on a panel of more than 14,000 companies evaluated worldwide, obtaining, for the transportation industry group, the recognition of “2023 Industry Top-Rated” (Source: *Sustainalytics 2023 ESG Top Rated Companies (Sustainalytics' list of companies that received*

top ESG Risk Rating scores)). For completeness, the aforementioned providers of ESG ratings are currently not subject to authorisation or supervision at the EU level.

## 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 strategic business 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**, which includes the activities of payment management, electronic money services and mobile and fixed line telecommunications services carried out by PostePay S.p.A. (**PostePay**). Since the second half of 2022, this unit includes activities related to energy sales (*i.e.*, gas and electricity) to end-customers. Since the second half of 2022, the sector includes LIS Holding which operates in the Italian proximity payments market offering services including pay slips, prepaid payment cards, phone top-ups and vouchers and other solutions for merchants and businesses. LIS Holding wholly owns LIS Pay S.p.A., an electronic money institution that provides payment and e-money services.
- 3. Financial Services**, which comprises the provision, through BancoPosta, of current accounts and payment services (including pensions and collection or disbursement of payments for third parties, some of which 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 in which the Issuer has a holding (11.02% as at 31 December 2022 and from May 2023, 11.6%). A number of other minor companies operate in this strategic business unit.
- 4. Insurance Services**, which operates in the sale of both life insurance products of classes I (life insurance), III (life policies linked to investment funds or indices), IV (healthcare) and V (capital redemption policies), through Poste Vita and, since its launch in 2010, non-life insurance products through Poste Assicura (fully owned by Poste Vita). In 2023 Poste Vita completed the acquisition of a controlling stake in Net Insurance and Net Insurance Life for the development of the protection segment in the insurance business.

The table below sets out the list of companies of the Group operating in each operating segment as at 31 December 2022.

### Operating segments

Mail, Parcels and Distribution	Payments and Mobile	Financial Services	Insurance Services (7)
Poste Italiane S.p.A.	PostePay S.p.A.	BancoPosta RFC	Poste Vita S.p.A.
Postel S.p.A.	LIS Holding SpA (5)	BancoPosta Fondi S.p.A. SGR	Poste Assicura S.p.A.
SDA Express Courier S.p.A.	LIS Pay S.p.A.	Anima Holding S.p.A.	Poste Insurance Broker S.r.l.
Poste Air Cargo S.r.l.	Consorzio servizi S.c.p.A.	Moneyfarm Holding Ltd	Net Holding S.p.A. (8)
Consorzio Logistica Pacchi S.c.p.A.	Volante Technologies Inc (6)	Financit S.p.A.	
Europa Gestioni Immobiliari S.p.A.		Replica SIM S.p.A.	
Consorzio PosteMotori		Eurizon Capital Real	
PatentiViaPoste S.c.p.A.		Asset SGR S.p.A	
Address Software S.r.l. (1)		Scalapay Limited	
Indabox S.r.l.			
ItaliaCamp S.r.l.			
Kipoint S.p.A.			
Conio Inc.			
Sennder 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			
Nexi S.p.A. (2)			
Plurima Bidco S.r.l. (3)			
Plurima Sp.A. (4)			
Poste Welfare Servizi S.r.l.			
Agile Power S.r.l.			
Agile Lab S.r.l.			
Sourcesense S.p.A.			

(1) On 12 October 2023, the deed of purchase and sale of the shares in Address Software S.r.l. held by third-party shareholders amounting to 49% of the company's capital was signed. As a result, as of that date, Postel S.p.A. holds 100% of Address Software S.r.l.

(2) Since 2022 Nexi S.p.A. is included in the Mail, Parcels and Distribution unit.

(3) As of 1 January 2023, Plurima Bidco Srl was merged by incorporation into Plurima SpA.

(4) On 26 April 2023, Plurima SpA finalised the purchase of a further 40% of the share capital of Bridge Technologies S.p.A. for a consideration of approximately €0.9 million, thus achieving 100% ownership.

(5) The board of directors of LIS Holding and PostePay have approved the project for the partial demerger of LIS Holding in favour of PostePay, with direct assignment of the 100% stake in LIS Pay S.p.A. to the EMI RFC.

(6) PostePay's stake (fully diluted) in the company went from 2.9% to 2.4% following the exercise of warrants relating to the company's debt refinancing transactions in September 2023.

(7) On 3 August 2023, Poste Vita contributed to the establishment of the corporate vehicle Cronos Vita S.p.A. (**Cronos**) invested in by, in addition to Poste Vita itself, Allianz, Generali Italia, Intesa Sanpaolo Vita and UnipolSai Assicurazioni, with the purpose of acquiring a business unit consisting essentially of the assets and liabilities relating to the Eurovita insurance business. On 17 October 2023, IVASS authorised Cronos to carry out insurance activities (with a consequent change of company name from "Cronos Vita S.p.A." to "Cronos Vita Assicurazioni S.p.A."). On 27 October 2023, Poste Vita participated, together with the other shareholders of Cronos, in proportion to its 22.5% stake, in the second capital increase of this company.

(8) On 20 April 2023, the squeeze-out procedure was finalised, as a result of which Net Holding S.p.A. holds a controlling interest of 97.84% in Net Insurance (which in turn holds 100% of Net Insurance Life).

The tables below illustrate certain financial items of the Group by business segment for the years ended 31 December 2022 and 31 December 2021.

*(€ in millions)*

<b>Financial Year 2022</b>	<b>Mail, Parcels &amp; Distribution</b>	<b>Financial Services</b>	<b>Insurance Services</b>	<b>Payments and Mobile</b>	<b>Adjustments and eliminations</b>	<b>Total</b>
Net external revenue from ordinary activities	3,651	4,938	2,153	1,147	-	11,889
Net intersegment revenue from ordinary activities	4,862	820	3	264	(5,948)	-
<b>Net operating revenue</b>	<b>8,512</b>	<b>5,759</b>	<b>2,156</b>	<b>1,410</b>	<b>(5,948)</b>	<b>11,889</b>
Depreciation, amortisation and impairments	(805)	(0)	(3)	(23)	2	(830)
Non-cash expenses	(498)	21	(1)	(7)	-	(486)
<b>Total non-cash expenses</b>	<b>(1,304)</b>	<b>20</b>	<b>(5)</b>	<b>(30)</b>	<b>2</b>	<b>(1,316)</b>
<b>Operating profit/(loss)</b>	<b>(326)</b>	<b>887</b>	<b>1,350</b>	<b>379</b>	<b>(0)</b>	<b>2,291</b>
Finance income/(costs)	(31)	(13)	87	(0)	-	43
(Impairment losses)/reversal of impairment losses on debt instruments, receivables and other assets	1	0	(0)	(0)	-	0
Profit/(Loss) on investments accounted for using the equity method	1	(7)	-	-	-	(6)
Intersegment finance income/(costs)	46	(2)	(45)	1	0	-
Income tax expense	(52)	(243)	(413)	(110)	-	(817)
<b>Net profit/(loss) for the year</b>	<b>(361)</b>	<b>622</b>	<b>979</b>	<b>270</b>	<b>0</b>	<b>1,511</b>
<b>Assets</b>	<b>12,902</b>	<b>104,744</b>	<b>148,495</b>	<b>11,743</b>	<b>(16,258)</b>	<b>261,626</b>
Non-current assets	9,701	72,202	132,424	742	(3,698)	211,370
Current assets	3,201	32,542	16,072	11,001	(12,560)	50,256
<b>Liabilities</b>	<b>10,393</b>	<b>103,406</b>	<b>141,680</b>	<b>10,332</b>	<b>(13,121)</b>	<b>252,689</b>
Non-current liabilities	4,623	10,339	140,653	83	(559)	155,138
Current liabilities	5,770	93,067	1,027	10,249	(12,562)	97,551
<b>Other information</b>						
Capital expenditure	788	0	0	23	-	810
Investments accounted for using the equity method	4	262	-	-	-	267



(€ in millions)

Financial Year 2021	Mail, Parcels & Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Net external revenue from ordinary activities	3,694	4,783	1,861	882	-	11,220
Net intersegment revenue from ordinary activities	4,696	759	3	319	(5,778)	-
<b>Net operating revenue</b>	<b>8,391</b>	<b>5,542</b>	<b>1,864</b>	<b>1,201</b>	<b>(5,778)</b>	<b>11,220</b>
Depreciation, amortisation and impairments	(770)	(0)	(4)	(16)	1	(790)
Non-cash expenses	(64)	(44)	(5)	(12)	-	(125)
<b>Total non-cash expenses</b>	<b>(834)</b>	<b>(44)</b>	<b>(9)</b>	<b>(28)</b>	<b>1</b>	<b>(915)</b>
<b>Operating profit/(loss)</b>	<b>(301)</b>	<b>747</b>	<b>1,119</b>	<b>282</b>	<b>(0)</b>	<b>1,846</b>
Finance income/(costs)	(18)	(13)	101	226	-	296
(Impairment losses)/reversal of impairment losses on debt instruments, receivables and other assets	0	(0)	0	0	-	(0)
Profit/(Loss) on investments accounted for using the equity method	1	22	-	3	-	26
Intersegment finance income/(costs)	46	1	(48)	(0)	0	-
Income tax expense	46	(200)	(349)	(85)	-	(588)
<b>Net profit/(loss) for the year</b>	<b>(226)</b>	<b>556</b>	<b>824</b>	<b>425</b>	<b>0</b>	<b>1,580</b>
<b>Assets</b>	<b>12,865</b>	<b>109,410</b>	<b>166,377</b>	<b>10,194</b>	<b>(14,117)</b>	<b>284,728</b>
Non-current assets	7,849	76,384	154,409	783	(2,773)	236,652
Current assets	5,016	33,026	11,967	9,411	(11,344)	48,076
<b>Liabilities</b>	<b>10,088</b>	<b>104,996</b>	<b>160,439</b>	<b>9,304</b>	<b>(12,209)</b>	<b>272,618</b>
Non-current liabilities	4,320	15,126	159,654	336	(909)	178,528
Current liabilities	5,769	89,870	784	8,968	(11,301)	94,090
<b>Other information</b>						
Capital expenditure	739	-	-	15	-	754
Investments accounted for using the equity method	3	274	-	-	-	277

## 1. Mail, Parcels and Distribution

This strategic business unit includes the activities of mail, express delivery, logistics, parcels and philately. Specifically, 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 Postel and its group of companies (the **Postel Group**) in the area of mass printing; and
- *Parcels*, including standard and express delivery products offered in unregulated markets by Poste Italiane to retail and business customers and by SDA Express Courier to certain business customers. SDA Express Courier also provides integrated solutions for distribution, logistics and catalogue sales. Certain parcels delivery services are also supplied by some of the other Group operating companies, such as MLK Deliveries, a company specialising in VAS (value-added services) last mile services, supplying grocery deliveries directly to customers; and Sengi Express Limited, a Hong Kong based affiliate, which provides additional transport services to Chinese merchants. A very small part (approximately 3% of total revenue from parcels delivered in 2022) of the ordinary parcel services of Poste Italiane is part of the 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 Air Cargo also provides cargo services to external customers as a minor part of its business.

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 in April 2011 for 15 years (with mid-term reviews every five years) 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:

- (a) collection, transport, sorting and delivery of postal items up to 2 kg;
- (b) collection, transport, sorting and delivery of postal parcels up to 20 kg; and
- (c) 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:

- (a) 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;
- (b) 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;
- (c) 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 programme agreement (*i.e.* the programme agreement (*Contratto di Programma*) between Poste Italiane and MED signed on 30 December 2019 for the 2020-2024 period);
- (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 and delivery activities and to improve customer experience, in line with the long-term objectives outlined in the 24 SI Plan, which target increasing efficiency, flexibility and quality in order to seize the opportunities arising from the development of e-commerce, as well as a gradual transformation into a full logistics operator.

Regarding the development of e-commerce, in addition to the collection of online purchases and sending returns by the Punto Poste network with some 15,600 contact points at 30 June 2023 (see further “*The omnichannel distribution network – Third-party physical network*” above), Poste Italiane has a contract with Amazon EU S.a.r.l. (**Amazon**) for the development of e-commerce in Italy, which was renewed in 2023 with an offer of innovative delivery services, in line with Poste Italiane’s strategy of expanding its logistics segment related to online shopping.

The Group's two pre-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 (such as "Same Day Delivery" and "Scheduled Delivery"). With the acquisition of the Nexive Group in the first quarter of 2021 and the corporate reorganisation carried out in the following months, an additional delivery network consisting of Nexive's external delivery partners was added to the Group's delivery network. This network, managed by Nexive Network S.r.l. (**Nexive Network**), carries out the management and coordination of this new delivery network made up of Nexive's external partners and is 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 associate *sennder Italia* S.r.l. (**sennder Italia**, 75% owned by *Sennder Technologies GmbH* (**sennder Tech**) as of 30 June 2023), 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. On 30 May 2023, Poste Italiane's Board of Directors approved the renegotiation of the partnership with *sennder Tech*. As part of the renegotiation, Poste Italiane contributed 35% of its shares in *sennder Italia* to *sennder Tech*, increasing its stake in the latter from 1.7% to 10.2% on a fully diluted basis. Following the completion of the transaction in June 2023, Poste Italiane holds a 25% equity interest in *sennder Italia*.

### ***Mail***

The Mail business involves the provision of paper, electronic and hybrid mail services (the latter carried out by the Postel group), 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 physical 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 aims to counter the declining trend in the physical mail market by defending the Group's 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 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 and e-procurement (*i.e.*, the management, distribution and supply of stationery, IT products, blank forms, printed material, consumables and other products required by Poste Italiane's post office network and by external parties).

## ***Parcels***

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

The products and services offered include the provision of ordinary parcel delivery 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. These services include shipments in the domestic and international markets, although activities are largely focused on the domestic market.

In the parcels 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 consumer trends caused by Covid-19. 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. Even though the parcels segment has experienced a period of uncertainty in 2022, this does not undermine its market value, which significantly increased during the Covid-19 pandemic years.

In May 2022, a majority stake was acquired in Plurima Bidco S.r.l., which in turn owns 100% of Plurima S.p.A., an Italian leader in the sector of healthcare logistics. As of 1 January 2023, Plurima Bidco S.r.l. was merged by incorporation into Plurima S.p.A.

Following the transfer in January 2022 by Poste Vita to Poste Italiane of 100% of the shares held in Poste Welfare Servizi (the company that manages supplementary health funds, services for the acquisition and validation of databases, services and liquidation of services on behalf of private health funds), Poste Welfare Servizi is now included within the Mail, Parcels and Distribution strategic business unit.

Poste Italiane made its physical network and digital infrastructure available for the vaccination campaign during the Covid pandemic, and accredited itself as a key player in the digitalisation process in Italy.

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

The Mail, Parcels and Distribution strategic business unit derives its revenues from the Group's other business areas. These revenues are mainly generated by three types of services which the Mail, Parcels and Distribution segment provides to BancoPosta RFC and to the Payments and Mobile strategic business unit. These services can be summarised as follows:

- commercial activities, represented by the sale of BancoPosta products and the provision of services to all BancoPosta customers on Poste Italiane's distribution network;
- 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 the BancoPosta 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 non-consolidated and consolidated financial statements).

See further paragraph 6.1.1 (*Mail, Parcels and Distribution Strategic Business Unit*) in Section 6 (*Creation of Value – Group Operating Results*) of the 2023 3Q Interim Report, paragraph 6.2.1 (*Mail, Parcels and*

*Distribution Strategic Business Unit*) in Part 1, Section 6 (*Creation of Value*) of the 2023 Half-Yearly Report, and paragraph 4.4.2 (*Mail, Parcels and Distribution Strategic Business Unit*) in Part 1, Section 4 (*Business Model*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus.

## 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, this strategic business unit adopts an omnichannel 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 become the largest digital payments platform in Italy by leveraging Poste Italiane's widespread distribution network of post offices, in order to enable the Group to affirm 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 by the ongoing changes in this sector of the market.

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 decided to combine the Group's distinctive competencies related to mobile and digital payments in a single entity. More specifically, the operation involved the following:

- the contribution in kind in 2018 into PostePay (formerly, PosteMobile S.p.A.), of BancoPosta RFC's e-money and payment services; and
- the establishment by PostePay of a ring-fenced capital within the company specialising in e-money and payment services (the **EMI RFC**), 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) and operates as a full mobile virtual network operator (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 S.p.A., which has acquired significant experience over the years in digital services and in mobile banking and mobile payments.

On 14 September 2022, PostePay completed the acquisition of LIS from IGT PLC. LIS, a long-standing business partner of Poste Italiane, uses a proprietary paytech platform. It has a highly qualified management team and is active in the Italian proximity payments market through a network of nearly 47,000 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. The LIS acquisition consolidates PostePay's growth in the proximity payments market and strengthens its ability to acquire services and its offering to small/medium sized enterprises, in line with the multi-channel strategy set out in the 24 SI Plan. Consistent with the Group's integrated omnichannel strategy, management aims to consolidate PostePay's leadership in the payments sector and in the digital services ecosystem through the LIS acquisition, as well as through strategic partnerships, such as the partnership with Volanté Technologies Inc. (a U.S. company specialised in the development of technological solutions underlying payment processes).

With regard to the e-money service, as of 31 December 2022 the number of cards in circulation is 28.9 million (28.7 million as of 30 June 2023), including Postepay prepaid cards, Postamat debit cards and credit cards. The stock of Postepay prepaid cards amounted to 21.4 million (21.2 million as of 30 June 2023). The payment cards transactions amounted in 2022 to 2,340 million with a total value of Euro 71,390 million (an increase of 16.9% with respect to 2021). As of 30 June 2023, payment cards transactions amounted to 1,260 million with a total value of Euro 37,572 million.

In addition, as of 31 December 2022, PosteMobile had 4.5 million mobile lines (4.5 million as of 30 June 2023) with an overall market share of about 4.2% (Source: AGCom, *Osservatorio sulle Comunicazioni, n. 1/2023*) and 356,000 fixed lines (379,000 fixed lines as of 30 June 2023).

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).

With regards to collections, PostePay has joined the "PagoPA system" as a new-generation Payment Services Provider (**PSP**) (a financial intermediary for payments made via the internet channel, in compliance with PSD2). The PagoPA system 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) and car tax through Poste Italiane, which channels them to the PagoPA system.

In terms of telephone services, PostePay offers both mobile and land-line services under the PosteMobile brand. 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 another agreement with TIM to bring advanced Internet connectivity solutions to individuals and businesses, by providing the Italian territory fiber-optic services with ultra-broadband technologies. Open Fiber is a provider of direct internet access and connectivity services to customers through the use of fibre (FTTH) and fibre blended copper (FTTC and FTTE) access technologies. The partnership with Open Fiber aims to ensure broadband coverage in cities and small towns. The contract with TIM relates to Internet access and connectivity services, but only with FTTH technologies, and envisages the deployment of the FTTH network in more than 1,600 municipalities nationwide by 2025. The dual initiative expands the portfolio of offers aimed at the consumer and business market with new ultrabroadband fibre-optic services and aims to reduce the digital divide in Italy.

Poste Italiane aims to establish itself as a major operator in the telecommunications sector, thanks to its aforementioned partnerships with Open Fiber and TIM as well as other initiatives introduced in the course of 2022:

- **Postepay Connect Back**, a service offering an exclusive cashback function. Subscribers of the offer receive a monthly cashback discount that is credited directly to Postepay Evolution, equal to the unused Giga of the tariff plan. Cashback can be used without time constraints and for any type of expenditure;

- **PosteMobile Casa WEB** offers 4G wireless internet connection for the home. The service can be purchased online as installation does not require the presence of a technician, and offers unlimited high-performance traffic (speed up to 300 Mbps), with a Wi-Fi modem included on free loan;
- **PosteCasa Ultraveloce**, the data-only offer with which Poste Italiane entered the broadband market that allows users to surf from home at fibre speed (1 Gbps) without limits. The service, which can be subscribed by customers online using a full digital process, includes a second unlimited connection on a 4G network to offer customers a fast provisioning and full connectivity experience. In addition to the provision of a Wi-Fi modem and a USB stick on loan for free, subscribers to the offer can also activate the ‘voice’ component for unlimited calls from home to all national fixed and mobile numbers. The fourth quarter of 2022 saw the launch of the PosteCasa Ultraveloce Start product, which can be subscribed by customers at Post Offices and provides only a fibre data connection, leaving the customer the flexibility to choose whether to also request the second connection on the mobile network with a 4G USB stick. PostePay customers with SPID can access a simplified process to apply online for fibre connectivity;
- **Mobile Tariff Offer**, offers mass market promotions, which can be activated from physical or online channels, including a high amount of giga and are reserved for all customers;
- **Mobile phone services in the Postepay app**, with which PosteMobile SIM card holders, after registering on the poste.it website, can monitor traffic details and make top-ups directly from the app. Additionally, customers have the opportunity to check their phone rate plan, bonuses and active promotions, as well as available options.

Since the second half of 2022 this strategic business unit’s activities have included energy sales (gas and electricity) to end-customers. During the first quarter of 2023 the Energy offer was launched on an omnichannel basis in the mass market and the first dedicated communication campaign was carried out. Communication activities also continued during the course of the second quarter with an "always on" presence on digital channels and in post offices. The offer stands out for being 100% green for electricity and 100% compensated in terms of CO<sub>2</sub> for gas.

See further paragraph 6.1.4 (*Payments and Mobile Strategic Business Unit*) in Section 6 (*Creation of Value – Group Operating Results*) of the 2023 3Q Interim Report, paragraph 6.2.4 (*Payments and Mobile Strategic Business Unit*) in Part 1, Section 6 (*Creation of Value*) of the 2023 Half-Yearly Report, and paragraph 4.4.5 (*Payments and Mobile Strategic Business Unit*) in Part 1, Section 4 (*Business Model*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus.

### 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 Cassa Depositi e Prestiti) and financing services such as mortgages and personal loans branded BancoPosta and issued by third parties, whereas the payment services (e.g. payment slips (*bollettini*)) are managed in outsourcing by the Payments and Mobile strategic business unit (see “2. *Payments and Mobile*” above).

BancoPosta’s operations consist of the following services listed in the Presidential Decree No. 144 of 14 March 2001 (**Presidential Decree 144**) as amended<sup>2</sup>:

- 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;

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<sup>2</sup> 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 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 designed to offer customers a full range of products and services, without the need for a banking licence, although Presidential Decree 144 explicitly prohibits BancoPosta from engaging in lending activities *vis-à-vis* the public. BancoPosta structures its products and services that are offered to customers by BancoPosta both directly and, where appropriate, indirectly through selected third parties. 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 transfer of BancoPosta RFC's assets and legal relationships constituting the "Debit Card Business" (*i.e.*, Poste Italiane's debit cards for BancoPosta current account holders) to PostePay. The transaction is aimed at completing the process of centralising e-money services at the PostePay electronic money institution (EMI), with debit cards linked to BancoPosta accounts to be offered as 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 Financial Services strategic business unit enjoys an extensive territorial coverage offered by over 12,750 post offices. As at 31 December 2022, BancoPosta had over 35 million customers and client assets totalling Euro 576 billion (Euro 580 billion as at 30 June 2023).<sup>3</sup>

Poste Italiane (inclusive of BancoPosta RFC) is a single legal entity, and the following general principles govern the operations of the administrative-accounting system at Parent Company level as regards certain administrative and accounting aspects of BancoPosta RFC:

- 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;
- settlement of all incoming and outgoing third-party payments by the Poste Italiane's Chief Financial Officer;

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
<sup>3</sup> These amounts include postal savings deposits, the mutual investment funds marketed, insurance reserves, asset under custody and current account deposits (the latter not including Long-Term RePos). The 2022 insurance reserves have been restated to exclude the deferred policyholders' liabilities "DPL" (- Euro 14 billion as of 31 December 2022), in line with local GAAP.



- 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 2022.

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: determined with reference to the maintenance of 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 + recharge of external costs
Anti-money Laundering	Fees by professional role based on market benchmarks + recharge of external costs
Legal Affairs	
Administration, Finance and Control	
Group Risk Governance and Security and Safety	
Human Resources and Organisation	
External Relations	
Business Continuity	Fees by professional role based on market benchmarks
Purchases	
Internal Auditing	
Compliance	

 Essential/Important Functions

 Control Functions

The cost of the services rendered by Poste Italiane's functions outside the ring-fence, and the revenues earned from Poste Italiane by BancoPosta, contribute to BancoPosta's results. The relevant transactions, profit and loss and balance sheet amounts generated by these relationships are recorded only 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 similar to that provided for by the accounting standards regulating the preparation of the Group's consolidated financial statements.

The BancoPosta current account represents BancoPosta's core basic service for retail customers; over the years this service has been enriched by enhancements and benefits that make it comparable to the services offered by a bank. BancoPosta's investments are subject to a series of restrictions imposed by Italian legislation. In particular:

- the liquidity deriving from the current accounts of BancoPosta's private customers is mandatorily invested in Eurozone sovereign debt securities, save for up to a maximum of 50% of the total amount that can be invested in 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. 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. In 2022, average current account deposits from private customers amounted to Euro 64.9 billion (Euro 66.9 billion in the first half of 2023); 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 2022, the average current account deposit of the public administration amounted to Euro 14.3 billion (Euro 10.8 billion in the first half of 2023).

The average balance of BancoPosta’s investment portfolio in 2022 was Euro 96.1 billion (Euro 93.9 billion in the first half of 2023). The composition of the average balance of the investment portfolio in 2022 consisted of Italian government bonds, tax credits and other deposits for Euro 72.4 billion (Euro 74.3 billion in the first half of 2023), deposits with MEF of Euro 14.3 billion (Euro 10.8 billion in the first half of 2023) and treasury for Euro 9.4 billion (Euro 8.8 billion in the first half of 2023).

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, with a view to guaranteeing the sustainability of the service and to ensure that the clients’ savings needs are met.

In 2022, the average balance of postal savings products was Euro 315.5 billion (Euro 314.6 billion in the first half of 2023), of which Euro 93.95 billion (Euro 91.3 billion in the first half of 2023) related to postal savings books (*libretti di risparmio*) and Euro 221.6 billion (Euro 223.3 billion in the first half of 2023) to postal savings bonds (*buoni fruttiferi postali*). The total remuneration of Poste Italiane in relation to fees for the collection of postal savings deposit was Euro 1.6 billion for 2022 (Euro 828 million in the first half of 2023).

During 2022, the Poste Italiane Group expanded its financial services offering. Customers can subscribe to the “Prestito BancoPosta Business Link Online”, developed in cooperation with Banca Aidexa SpA, which enables digital loans to be offered to sole proprietorships and small businesses. With regard to business and public administration current accounts, developments for the migration from all lists to the “Conto BancoPosta Business Link” are currently ongoing. 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. In 2022, the collaboration between Poste Italiane and Santander Consumer Bank continued for the development and release of the “Prestito Personale BancoPosta” product.

With regard to asset management, the distribution of mutual investment funds continued thanks to 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](http://www.poste.it).

During 2022, Poste Italiane continued its efforts to expand its proposal of financial products that promote environmental or social characteristics, with a view to channelling an ever-increasing amount of capital in favour of sustainable development and meeting the demands of savers and investors attentive to the creation

of positive social-environmental value through the investment products they subscribe to. In particular, the extension of the investment product offering includes, in addition to the application of the policies and guidelines implemented by Group companies, investment strategies aimed at achieving the best performance through investments selected on the basis of ESG characteristics, according to different possible approaches.

In 2022, Poste Italiane, in collaboration with BancoPosta Fondi and Moneyfarm, launched Poste Gestione Patrimoniale, a new portfolio management composed of 4 lines, the investment decisions of which take ESG factors into account.

In line with previous years and confirming the support offered by Poste Italiane at the national level, the Group continued to offer tax credit transfers during the course of 2022. The service, launched in autumn 2020, allows citizens and businesses with a BancoPosta account to transfer their tax bonuses and obtain liquidity in one go. As of 31 December 2022, the portfolio of tax credits of Poste Italiane amounted to approximately Euro 9 billion. As of 30 June 2023, the portfolio of tax credits of Poste Italiane amounted to approximately Euro 8.8 billion. Poste Italiane has set aside a provision in the amount of Euro 320 million as at 31 December 2022, in relation to potential risks relating to the acquisition of tax credits. See further the paragraph “*Provisions for risks and charges*” in the 2022 Annual Report (page 513), incorporated by reference in this Base Prospectus.

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

BancoPosta Fondi, the investment management company of the Poste Italiane Group, manages undertakings for the collective investment in transferable securities (*organismo di investimento collettivo in valori mobiliari*) and investment funds (OICVM/Funds), institutional portfolios and insurance portfolios (class I and class III). The OICVM/Funds are managed directly or through third-party investment asset managers selected and appointed by BancoPosta Fondi.

As of 31 December 2022, the collective investment funds distributed through the national network of post offices had assets amounting to Euro 10 billion (Euro 11 billion as of 30 June 2023).

The Group has a long-term partnership with Anima Holding (in which Poste Italiane holds a 11.02% interest), pursuant to which (i) Anima Holding has been delegated to manage the retail/institutional funds established by BancoPosta Fondi and (ii) Anima SGR S.p.A. has been delegated to manage 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 the competence centre for managing the Group’s financial investments, which amounted to Euro 101 billion as of December 2022 (Euro 110 billion as of June 2023).

In line with its sustainable strategy, in 2022, BancoPosta Fondi has integrated ESG strategies into the investment policy of the following three funds: (i) “BancoPosta Orizzonte Reddito”, (ii) “BancoPosta Azionario Flessibile” and (iii) “BancoPosta Azionario Internazionale”. In 2023 BancoPosta Fondi continued to pursue its sustainable strategy by integrating ESG factors in the “BancoPosta MIX” range of funds (MIX1, MIX2, MIX3) and launching a new range of funds “BancoPosta Universo Tematico”. The strategies pursued are mainly focused on the exclusion of particular sectors and on the adoption of a best in class strategy applying criteria such as minimum ESG rating both at the issuer and portfolio level (compared to a reference opportunity set).

See further paragraph 6.1.2 (*Financial Services Strategic Business Unit*) in Section 6 (*Creation of Value – Group Operating Results*) of the 2023 3Q Interim Report, paragraph 6.2.2 (*Financial Services Strategic Business Unit*) in Part 1, Section 6 (*Creation of Value*) of the 2023 Half-Yearly Report, and paragraph 4.4.3 (*Financial Services Strategic Business Unit*) in Part 1, Section 4 (*Business Model*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus.

#### 4. Insurance Services

The Insurance Services strategic business unit consists of the insurance group (the **Poste Vita Group**) registered in the national 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 subsidiaries Poste Assicura (a wholly-owned subsidiary) and Net Holding S.p.A. (a majority-owned subsidiary 60% owned by Poste Vita). In addition, Poste Assicura owns 100% of Poste Insurance Broker S.r.l., an insurance brokerage company, and Net Holding S.p.A. owns 97.8% of Net Insurance which in turn owns 100% of Net Insurance Life. Finally, since September 2023 Poste Vita owns 22.5% of Cronos Vita S.p.A..

Poste Vita is enrolled in the national 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 (life insurance), III (life policies linked to investment funds or indices), IV (healthcare), V (capital redemption policies) and VI (pension funds) (*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 non-life, 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.

Net Holding S.p.A. is a holding company engaged in the holding and management of equity investments set up for the acquisition of Net Insurance. Net Insurance is an insurance company authorised by IVASS to carry out insurance business relating to non-life business. It provides insurance solutions focused on (i) credit insurance products, and in particular salary-backed loans and pension-backed loans (**CQ**), (ii) protection products (through non-life/non-motor bancassurance agreements and brokers) and (iii) (to a very limited extent) insurtech, due to agreements with technology partners. Net Insurance Life is an insurance company authorised by IVASS to run life business, which offers insurance covers linked and instrumental to P&C products offered by the controlling entity Net Insurance.

Poste Vita, which distributes its products through Poste Italiane's extensive network, has reached a leading market position, ranking first in terms of life insurance premiums issued in Italy in 2022 (gross premium revenues of Euro 17.2 billion in 2022) with a market share of approximately 16.4% (source: ANIA, Italian Insurance Companies Association).

A number of new products were launched in 2021 and in 2022 as part of the strategic goals outlined in the 24 SI Plan to improve 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 2022 the Group entered the third-party motor liability market with the "Poste Guidare Sicuri" product through Poste Insurance Broker, after a gradual approach to sales by the distribution network (at over 5,000 authorised post offices).

The new accounting standard IFRS 17, applied as of 1 January 2023, has introduced a new model for measuring insurance contracts that includes, among other elements, the recognition of the Contractual Service Margin (**CSM**), which represents the expected value of the margin for the services offered. The CSM of the insurance services segment stood at €13.3 billion at 30 June 2023, up from the recognised value at transition (1 January 2022) of approximately €10.5 billion. The new accounting standard has also introduced a new way of measuring and representing insurance revenue: in the statement of profit or loss, profitability is now shown by

margins through the allocation to revenue of all costs directly related to insurance contracts, including costs aimed at remunerating the distribution network for the placement and distribution activities of insurance contracts performed by the Parent Company.

In 2022, the Insurance Services strategic business unit had external revenues of Euro 2,153 million (Euro 1,650 million applying IFRS 17). External revenues in the first half of 2023 decreased to €772 million from €796 million in the first half of 2022, mainly due to the lower CSM pertaining to the period. External revenues in 2022 were mainly generated by the life business, which contributed Euro 2,002 million (Euro 739 million in the first half of 2023), whereas the contribution of the P&C business was Euro 151 million (Euro 33 million in the first half 2023).

As of 31 December 2022, life business technical provisions amount to Euro 139.6 billion (Euro 148.6 billion as of 30 June 2023) and technical provisions for the P&C business, net of the portion ceded to reinsurers, amounted to Euro 347 million (Euro 425 million as of 30 June 2023).

The solvency ratio of Poste Vita Group as at 30 June 2023 stood at 274%, up compared to 253% as at 31 December 2022, and remains well above the regulatory requirements.

See further paragraph 6.1.3 (*Insurance Services Strategic Business Unit*) in Section 6 (*Creation of Value – Group Operating Results*) of the 2023 3Q Interim Report, paragraph 6.2.3 (*Insurance Services Strategic Business Unit*) in Part 1, Section 6 (*Creation of Value*) of the 2023 Half-Yearly Report, and paragraph 4.4.4 (*Insurance Services Strategic Business Unit*) in Part 1, Section 4 (*Business Model*) of the 2022 Annual Report, incorporated by reference in this Base Prospectus.

## **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's 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, further reducing the scope of the business area reserved to the Universal Postal Service provider, and lowering 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 MIMIT. With effect from 1 June 2012, the national postal law was amended to exclude direct mailing from the scope of the Universal Postal Service, while reserving exclusively to the Universal Postal Service provider the right to provide postal services relating to the notification of judicial acts until 2017, for reasons of public security. The national postal law also amended the criteria used to assess the net cost of the Universal Postal Service, which is 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 programme agreement signed between the MIMIT and the Issuer (the **Poste-**

**MIMIT Programme Agreement**), as well as through a compensation fund to which other postal operators have to contribute. 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.

Reforms relating to network density and frequency, service level agreements (SLAs) and the product portfolio have also been implemented in the Poste-MIMIT 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-MIMIT 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.

The Poste-MIMIT Programme Agreement currently in force was the programme agreement signed by Poste Italiane and the MED on 30 December 2019 and it provides a comprehensive framework regulation for the provision of the Universal Postal Service for the 2020-2024 period. This Poste-MIMIT Programme Agreement was 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-MIMIT Programme Agreement, for the five-year period 2020-2024 Poste Italiane will receive a maximum compensation of Euro 262.4 million per year.

The MIMIT 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 over this role pursuant to Law No. 241 of 22 December 2011. The MIMIT, 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 the Universal Postal Service and an authorisation, issued through a silent consent mechanism lasting 45 days, for the supply of non-universal services. The MIMIT 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 MIMIT's website, 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 the 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 the 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 of post offices and letterboxes on the Italian territory 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 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 exempt from VAT (VAT Directive).

The provision of the Universal Postal Service may lead to an unavoidable loss, also referred to as the Cost of the Universal Postal Service, or 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-MIMIT 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 that is managed by the MIMIT 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 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, due to 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. The State Council heard the case on 21 September 2023 and in its ruling 09021/2023 published on 17 October 2023, annulled the contested ruling and referred it back to the Regional Administrative Court.

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 7 June 2019, AGCom has completed the assessment of the net cost for the years 2015 and 2016; and has established the net cost incurred by Poste Italiane to be 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 million, Euro 334.5 million and Euro 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.

With AGCom Resolution 28/23/CONS, published on 24 February 2023, the Authority initiated the verification procedure for calculating the net cost of the Universal Postal Service for the years 2020 and 2021. Verification is still in progress.

### ***Mail, Parcels and Distribution – recent amendments to the Universal Postal Service and the Poste-MIMIT 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 to condition its 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 in 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, regulatory provisions were subsequently issued aimed at a gradual opening of the market. Most recently, Resolution 78/23/CONS provided for lighter obligations for operators which provide such services.

With Resolution no. 159/23/CONS, published on 27 June 2023, AGCom launched a public consultation for the adoption of a Regulation concerning compensation for users' complaints in the postal sector. Poste Italiane also participated in the consultation. The conclusion of the procedure is set at 180 days starting from the date of publication of the resolution (except for any suspensions and extensions ordered by the authority).

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 resulting new regulatory framework on access comprises:

- Resolution No. 384/17/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. The resolution 236/23/CONS of 27 September 2023 concludes the procedure relating to the changes to the replicability test of Poste Italiane's multiple consignment delivery service offers and the criteria for its conduct. The new provisions relating to the updating of the replicability test entered into force 30 days following their publication.

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. 384/17. 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.

AGCom has modified and integrated the current access obligations defined by the AGCM itself in the context of the acquisition of Nexive. On 24 March 2023, Poste Italiane published the access offers in compliance with regulatory provisions. The offers came into force on 1 May 2023. In July 2023 Poste also sent AGCom its proposals relating to wholesale access offers for the 2024 year. With AGCom resolution 235/23 of 27 September 2023, the approval and public consultation procedure concerning Poste Italiane's offers of wholesale access services for the year 2024 was initiated, pursuant to Resolution 171/22/CONS.

Following a detailed consultation process, started in August 2021 by Resolution 255/21/CONS, AGCom concluded, with Resolution 94/22/CONS of 5 May 2022, the procedure for identifying the relevant services markets of parcel delivery and evaluation of the level of competitiveness. The resolution imposes specific information obligations on Amazon, as an "operator with significant market power" in the B2C segment, and some obligations on other operators, including Poste Italiane, present on the medium-large parcel delivery market dimensions. In October 2023 the judge of first instance annulled the AGCom resolution due to lack of motivation in imposing unnecessary and excessive information obligations on operators active in the parcel segment.

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 MIMIT, 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. In July 2023, the procedure was initiated for notification of the Service of General Economic Interest (SGEI) to the European Commission for the period 2020-2026, which is currently being finalised.

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 75.9 million for 2023 and Euro 55 million for each year starting from 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. With the last increase in tariffs set by AGCom, with resolution no.454/22/CONS of 30 December 2022, the total compensation amounts to Euro 54 million in 2022. In June 2022, the new tariffs for the Universal Postal Service were defined with AGCom

resolution 171/22/CONS ("Final measure for the analysis of the market for mail delivery services and determination of the maximum tariffs for universal postal services – assessment of the level of competition and definition of regulatory remedies"). This resolution accepts most of Poste Italiane's proposals regarding tariff variations, including that to eliminate the ban on price increases up to 2024. The new tariffs entered into force as of 27 June 2022. With resolution 29/23/CONS AGCom initiated a further procedure for the determination of new maximum tariffs for universal postal services and on 27 June 2023 with resolution 160/23/CONS, the new tariffs of the service were defined, coming into force on 24 July 2023.

Under the 2018 Budget Law, a new rule regarding the Universal Postal Service has been introduced, allowing MIMIT and Poste Italiane to introduce in the next Poste-MIMIT 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 every year to their national authorities information 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 exempt 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 designated postal operator in the country of destination.

See further the paragraph “*Regulatory context and evolution of the regulatory scenario*” in Section 5.1 (*Mail, Parcels and Distribution Strategic Business Unit*) of the 2023 3Q Interim Report and in Section 4.4.2 (*Mail, Parcels and Distribution Strategic Business Unit*) of each of the 2023 Half-Yearly Report and the 2022 Annual Report, incorporated by reference in this Base Prospectus.

In August 2022, AGCom began revising resolution 77/18/CONS on the issuance of licences to perform the service of notification of judicial documents and traffic violations by post. The authority confirmed the substantial structure of the resolution except for some changes aimed at improving competition in the market for notifications.

On 27 June 2023, AGCom initiated a public consultation for a regulation on indemnities for the protection of users in the postal sector. Poste Italiane sent its contribution, explaining its position at a hearing held on 22 September 2023.

#### ***Mail, Parcels and Distribution – Digital notification of PA documents – New platform***

Law Decree no. 76 of 16 July 2020 (Simplifications Decree), converted into Law no. 120 of 11 September 2020, as amended, regulates the implementation of the platform for the digital notification of public administration documents. The operator of the platform will be the company PagoPA, which may entrust its services to Poste Italiane as Universal Service Provider. The costs, criteria and modalities for the distribution and reimbursement of the costs for the service of documents via the platform were defined by the Decree of 30 May 2022. The Decree states that the amount of the costs of notification for the addressee of the document served is set at €2.00 for each notification effected via the platform. A portion of the amount, to be negotiated with PagoPA, will be paid to Poste Italiane as the platform provider. There is also an additional charge of €1.40 to Poste Italiane as Universal Service Provider in cases of delivery of the hard copy of the documents to be served. The Agreement with PagoPA governing the scope of services, responsibilities and economic remuneration for the developments and services required from Poste Italiane for the implementation of the platform is currently being finalised.

#### ***Payments and Mobile***

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

- the Banking Act;
- Bank of Italy’s 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*);
- Bank of Italy’s Supervisory Instructions for payment institutions and electronic money institutions, last updated 2 November 2022 (*Disposizioni di vigilanza per gli istituti di pagamento e gli istituti di moneta elettronica – Aggiornamento del 2 novembre 2022*);
- the 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.

On 13 March 2018, Delegated Regulation (EU) 2018/389 of the Commission was published in the Official Journal of the European Union, integrating PSD2 regarding regulatory technical standards for Strong Customer Authentication (**SCA**) and common and secure open communications standards. Originally, the regulation applied from 14 September 2019, but the European Banking Authority has granted a 15-month extension to the entry into force to allow Member States to adapt to the requirements of Strong Customer Authentication: the SCA therefore entered into force after 31 December 2020.

The Delegated Regulation (EU) 2022/2360 of the Commission, published in the Official Journal of the European Union on 5 December 2022, modified the regulatory technical standards on Strong Customer Authentication (SCA) and on common and secure open communication standards, referred to in Delegated Regulation (EU) 2018/389: the changes relate to the 90-day exemption for access to accounts provided for in Article 10 of Delegated Regulation (EU) 2018/389, pursuant to which payment service providers are exempt from the obligation to perform Strong Customer Authentication in certain cases. These changes aim to ensure uniformity in the behaviour of payment service providers and applied starting from 25 July 2023.

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. Since 2019, this activity was subject to an annual notification to the Bank of Italy, which included 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 was then certified by an external advisor. Since 2022, the annual notification obligation is no longer required.

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 were 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) and then, from 1 January 2023, it was further reduced to Euro 0.40 cents. A final reduction to Euro 0.20 cents is foreseen for 1 January 2024. PostePay has implemented and will implement 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 are subject to a retail price cap. The cap will have to be confirmed, cancelled or reviewed by May 2024. 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. PostePay has implemented the new requirements set by the Code and by the secondary-level detailed rules defined by AGCom.

With the aim of offering its fiber-based internet access services, based on FTTH (Fiber to the Home) or FTTC (Fiber to the Cabinet) technologies, PostePay has updated its authorisation as an internet service provider.

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 has implemented this regulation.

As of 1 January 2023, new rates became applicable for terminating voice calls with reference to a single maximum termination rate for calls to mobile and fixed network in the European Union. PostePay adopted the tariff regime within the timeframe provided by the regulatory framework. In addition, on 15 May 2023, AGCom published Resolution no. 12/23/CONS "Regulation on the use of alphanumeric characters identifying the sender in corporate messaging services (SMS ALIAS)". PostePay has directed the necessary activities to adapt to the changes introduced. With resolution 9/23/CIR of 25 January 2023 and pursuant to Legislative Decree no. 28 of 30 April 2020, AGCom implemented provisions on “Systems for the protection of minors from the risks of cyberspace”.

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.

PostePay entered the free market for electricity and natural gas supply to households in August 2022, starting with an offer exclusively for employees of the Poste Italiane Group. In February 2023, it expanded its offerings to the "mass-market".

PostePay is registered in the Electricity Sellers List (EVE) at the Ministry of the Environment and Energy Security (**MASE**) since 7 April 2023, with identification code 00667, in accordance with Ministerial Decree No. 164 of 25 August 2022. Additionally, the company is listed among the authorised entities for the sale of natural gas to final customers under Article 17 of Legislative Decree No. 164 of 23 May 2000, at MASE since 28 January 2021.

The liberalisation process of the electricity and natural gas markets, initiated in the mid-1990s, facilitated the transition from a monopoly regime to a competitive one in both the production and sale phases of the energy sector. Market liberalisation was implemented in compliance with Directive No. 96/92/EC, which established common rules for the internal electricity market, adopted through Legislative Decree No. 79 of 16 March 1999 and Directive No. 98/30/EC, which established common rules for the internal natural gas market, implemented through Legislative Decree No. 164 of 23 May 2000.

Law No. 124 of 4 August 2017 (**Annual Law for the Market and Competition**) envisages a gradual cessation of regulated pricing for the electricity and natural gas markets for civilian end-users by January 2024. This regime, known as the "service of greater protection", stipulates that electricity services are provided by the distribution company, including through dedicated sales companies.

Decree-Law No. 115 of 9 August 2022, (**Urgent Measures on Energy, Water Emergency, Social, and Industrial Policies**) establishes that a protection regime continues to apply to vulnerable customers. The law defines "vulnerable" customers as civilians who fall into at least one of the following categories: (a) those in economically disadvantaged conditions under Article 1, paragraph 75, of Law 124/17; (b) individuals with disabilities under Article 3 of Law 104/92; (c) customers whose utilities are located in non-interconnected smaller islands; (d) customers whose utilities are located in emergency housing facilities due to calamitous events; and (e) individuals over 75 years of age.

Completing the liberalisation of the retail segment of the electricity market is a reform commitment under the PNRR (Reform M2C1-7) and a strategic objective of the Ministry of the Environment and Energy Security for the 2022-2024 period. The PNRR specifically states that "in the field of electricity sales, the process of full

liberalisation in the sector, expected by 2023, must be completed, with the adoption of rules aimed at ensuring a conscious and transparent transition to the free market for domestic customers and microenterprises, also following the model already adopted for the service with gradual protection, setting caps on market share and enhancing billing transparency to provide greater certainty to consumers".

The electricity and natural gas markets are regulated and supervised by the regulatory authority for Energy, Networks, and the Environment (**ARERA**). ARERA is an independent authority established by Law No. 481 of 14 November 1995, entitled "Rules for Competition and Regulation of Public Utility Service. Establishment of Regulatory Authorities for Public Utility Services", with the task of protecting consumers' interests and promoting competition, efficiency, and the dissemination of services with adequate quality levels through regulation and oversight. In particular, ARERA: (i) sets tariffs for infrastructure usage in the energy sectors and ensures equal access for operators; (ii) ensures publicity and transparency of service conditions; (iii) promotes higher levels of competition and more adequate safety standards in procurement, with particular attention to harmonising regulation for the integration of markets and networks at the international level; (iv) defines minimum service quality levels for technical, contractual, and service standards; and (v) can impose sanctions and assess, and potentially accept commitments from companies to remedy harm caused (Legislative Decree No. 93/11).

Recent regulatory initiatives introduced by ARERA include:

- resolution 637/2022/R/com of 1 December 2022 on changes to the mandatory information to be included in customers' bills. PostePay adapted to the regulatory requirements.
- Resolutions 100/2023/R/com and 102/2023/R/com, published on 14 March 2023, regarding regulated natural gas prices and the definition of the conditions for the supply of natural gas to vulnerable end customers, providing for a gradual implementation path of the reform to be completed by January 2024. PostePay has implemented all the actions envisaged by the regulator.
- resolution 267/2023/R/COM, approved in the aftermath of the exceptional meteorological events that occurred in May 2023 in central Italy, providing for the extension of the suspension of payment terms in favour of the populations most affected by the exceptional weather events. Still on the subject of vulnerable persons, ARERA laid down with resolutions 383/2023/R/eel, the modalities for identification of vulnerable domestic electricity customers. In this respect, PostePay is undergoing its evaluations.
- With resolution 362/2023/R/eel, ARERA laid down the operational modalities for the rendering of the gradual protection service for non-vulnerable domestic customers in the electricity sector, pursuant to Law no. 124 of 4 August 2017.
- Resolution 339/2023/R/gas published in July 2023, intended to allow the verification of certain requirements and indicators that must be met by sales companies in order to remain on the list of entities authorised to sell electricity to end customers. In May 2023, PostePay submitted its comments as part of the related consultation 186/2023/R/eel on the subject of the list of entities authorised to sell electricity to end customers.

See further the paragraph "*Regulatory context*" in Section 5.4 (*Payments and Mobile Strategic Business Unit*) of the 2023 3Q Interim Report and in Section 4.4.5 (*Payments and Mobile Strategic Business Unit*) of each of the 2023 Half-Yearly Report and the 2022 Annual Report, incorporated by reference in this Base Prospectus.

### ***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 Cassa Depositi e Prestiti 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 BancoPosta's anti-money laundering 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.

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 which applies to BancoPosta RFC is substantially in line with 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.

On 2 November 2022, the Bank of Italy updated Circular 285 to implement the "Guidelines on information and communications technology (ICT) and security risk management" (EBA/GL/2019/04) issued by the EBA. BancoPosta is already largely in compliance with these Guidelines. On 31 August 2023, BancoPosta submitted a report to the Bank of Italy describing the actions taken in order to comply with the regulatory amendments introduced. On 5 December 2022, Commission Delegated Regulation (EU) 2022/2360 of 3 August 2022 amending Delegated Regulation (EU) 2018/389 with regard to strong customer authentication and common and secure open standards of communication was published. BancoPosta has finalised the appropriate

adaptations activities with regards to its BancoPosta Open banking service in line with the innovations which have been introduced by the amendments.

On 1 January 2023, Delegated Regulation (EU) 2022/1288 came into force in relation to the sustainability disclosure obligations for financial services operators. Poste Italiane's website pages dedicated to sustainability have been updated to demonstrate its compliance with such disclosure obligations in providing its consultancy services.

The framework of EU sustainability legislation was recently amended to take sustainability factors into account in relation to the provision of investment services, and in line with such amendments, ESMA updated its Report "Guidelines on certain aspects of the MiFID II suitability requirements". ESMA published a further Final Report "Guidelines on MiFID II product governance requirements" on 27 March 2023, to revise the Guidelines and integrate sustainability objectives into the forecasts regarding the identification of the reference market by both producers and distributors of financial instruments and structured deposits. Such forecasts confirm the Group's alignment with the regulatory framework on sustainability, in particular with reference to the product governance process and the models used to exchange information related to product sustainability with the Group companies that produce investment and insurance products. Action has already been taken as the Guidelines became applicable in October 2023.

In April 2023, the Bank of Italy published a document containing supervisory guidelines on so-called "revolving" credit. The Authority aims at promoting compliance with rules and correct behaviours towards customers by intermediaries. BancoPosta has concluded the impact analysis relating to the products relevant for the measure and action plans are being defined accordingly.

The Bank of Italy also published, on 1 June 2023, a provision on instructions for reporting on the outsourcing of business functions for supervised intermediaries. The reports, to be submitted by 31 December 2023, aim at collecting information on the type of functions outsourced and on outsourcing contracts, service providers and subcontractors.

ANAC published in July 2023 new Guidelines on the protection of "whistleblowers" (persons who report violations of EU law and breaches of national legislation), on the handling of external reports and the exercise of sanctioning powers. Poste Italiane is currently updating its process management procedures to incorporate these new features.

On 18 March 2023, the Legislative Decree implementing Directive (EU) 2019/2161 of the European Parliament and of the Council was published, concerning rules on consumer protection and amendments to the so-called "Consumer Code". The new provisions are aimed at strengthening consumer protection in cases of unfair terms, unfair commercial practices, unfair competition and untruthful commercial communications. The relevant BancoPosta personnel participated in specific training events on these regulatory amendments.

See further the paragraph "*Regulatory context*" in Section 5.2 (*Financial Services Strategic Business Unit*) of the 2023 3Q Interim Report and in Section 4.4.3 (*Financial Services Strategic Business Unit*) of each of the 2023 Half-Yearly Report and the 2022 Annual Report, incorporated by reference in this Base Prospectus.

### ***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. In 2023 Poste Vita completed the acquisition of a controlling stake in Net Insurance (non-life insurance) and Net Insurance Life (life insurance) for the development of the protection segment.

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 the 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, the Poste Vita Group may be affected by the requirements of the regulations applicable from time to time, including solvency requirements.

On 3 January 2023, IVASS issued a letter to the market where it provided guidance on the transition to the new IFRS 17 standard. The recent replacement of Appendix 6 of Regulation 7/2007 with Appendix 4 provides that, with reference to the financial year 2023 only, a disclosure on the transition to the new standard must be provided, distinguishing between insurance contracts issued, outward reinsurance and investment contracts issued with discretionary participation features. The Group submitted the necessary information to IVASS on 27 October 2023.

Another letter to the market was issued by IVASS on 16 March 2023 – focused on 'Dormant life insurance policies' – on the verification of the payment status of sums relating to policies resulting from the cross-referenced data (both life and accident), requesting companies to provide a report by 30 June 2023 on the

activities carried out for settlement and an update on the policies cross-referenced in past years. The Insurance Group Companies submitted the required information to the Supervisory Authority in June.

IVASS issued a further letter to the market on 30 March 2023, concerning the fifth edition of the survey on collective agreements underwritten in the health insurance sector. Poste Assicura submitted the requested data in April and May 2023 in accordance with the timelines and procedures indicated by IVASS.

In addition, IVASS issued Measure no. 131 of 10 May 2023 to align with the provisions of the European Legislator concerning the Solvency II regulatory framework and the Insurance Distribution Directive "IDD" on sustainable finance. In order to comply with the new regulations, Poste Vita recently set up an internal ESG (Environmental, Social, Governance) Working Group, which steered the necessary adjustments.

IVASS also issued Measure no. 132 of 6 June 2023 concerning the application rules for the determination of technical provisions, also introducing two new guidelines of the European Insurance and Occupational Pensions Authority (EIOPA) in relation to the valuation of technical provisions and the determination of contractual limits which are applicable from 1 January 2023.

Following a warning on conflicts of interest arising from the sale of credit protection insurance issued by EIOPA to insurance companies and banks, IVASS on 2 August 2023 requested documentation on credit protection insurance products and other updates on specific points. The Group provided the requested feedback within the time limit (October 2023).

With Measure no. 138 of 25 September 2023 IVASS intervened on Regulation no. 52/2022 by amending the rules on the unavailable reserve. IVASS ruled that in the calculation of the unavailable reserve, referring to the financial statements and the interim report (2023), the company must also disregard the effect of securities write-downs on existing commitments towards policyholders referring to the year of the financial statements and up to five subsequent years. For the 2023 interim report, the Companies of the Insurance Group did not avail themselves of the option introduced by the Regulation, but will continue to monitor the evolution of the financial market situation in order to assess the potential application of the waiver.

On 4 April 2023, the European Commission adopted two regulations on the supervision of insurance undertakings: a first (Regulation (EU) 2023/894) regarding templates for the submission by insurance and reinsurance undertakings to their supervisory authorities of the information necessary for their supervision; and a second (Regulation (EU) 2023/895) concerning procedures, formats and templates for the disclosure by insurance and reinsurance undertakings of their solvency and financial condition report.

On 13 August 2023, the European Commission adopted Regulation (EU) 2023/1803 governing the exemption from the requirement to use annual cohorts for groups of contracts under IFRS 17 Insurance Contracts. The companies should therefore disclose in the notes to the financial statements, for which portfolios the exemption has been applied. The Commission should by 31 December 2027 review the exemption from the annual cohort requirement for intergenerationally-mutualised and cash flow matched contracts, taking into account the IASB post-implementation review of IFRS 17.

See further the paragraph “*Regulatory context*” in Section 5.3 (*Insurance Services Strategic Business Unit*) of the 2023 3Q Interim Report and in Section 4.4.4 (*Insurance Services Strategic Business Unit*) of each of the 2023 Half-Yearly Report and the 2022 Annual Report, incorporated by reference in this Base Prospectus.

## **Management**

The governance model adopted by Poste Italiane is based on the “traditional model” entailing the separation between the management functions of the Board of Directors and the control functions 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), by virtue of the public nature of its controlling shareholder, the MEF. 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 Issuer's remuneration policy. The general meeting furthermore decides on (*inter alia*) 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, the results of operations, the proposals concerning the organisational structure and strategic transactions.

Of the nine members of the Board of Directors, eight are non-executive and six currently 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 and regulations.

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 has 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 8 May 2023:

Name	Position	Main activities outside the Group
Silvia Maria Rovere	Chairwoman of the Board of Directors (since 8 May 2023)	CEO of Sensible Capital s.r.l., an Italian advisory firm promoting investments in real estate assets, with a specific ESG focus. Member of the Royal Institute of Chartered Surveyors, UK body promoting professional qualifications and standards in the development and management of land, real estate, construction and infrastructure. Member of the Executive Committee of Urban Land Institute - ULI Italy. Member of the Directive Committee of Res Pubblica Foundation an Italian think tank.
Matteo Del Fante	CEO and General Manager (since 27 April 2017, appointment last renewed 8 May 2023)	Vice-Chairman of ASSONIME (Association of Italian Joint Stock Companies) Chairman of the Board of Directors of Giubileo 2025 S.p.A., a company fully owned by the Ministry of Economics and Finance aimed at coordinating the implementation of works and interventions in view of the Jubilee of the Catholic Church in 2025.
Carlo D'Asaro Biondo	Director (since 8 May 2023)	Member of the Board of directors at Optic Humana Technologies, non-profit organisation aimed at the development of human-centred new technologies. Independent Senior Advisor for the Boston Consulting Group.
Valentina Gemignani	Director (since 8 May 2023)	Managing Director of the Directorate of Treasury Services in the Department of General Administration, Personnel and Services, and Deputy Cabinet Officer, Italian Ministry of Economics and Finance. Member of the Board of Directors at Centro Sperimentale di Cinematografia foundation.
Paolo Marchioni	Director (since 8 May 2023)	Member of the Board of Directors at Tecnoacque Cusio spa, a company performing treatment and disposal activities of liquid industrial waste.
Matteo Petrella	Director (since 8 May 2023)	Member of the Board of Directors at Roma Servizi per la Mobilità s.r.l., a company owned by the municipality of Rome carrying out planning, supervision, coordination and control processes relating to urban mobility. Sole auditor of Elettrica Roma Nord srl, a company specialised in the installation and maintenance of street lighting systems. Chairman of the Board of Statutory Auditors of Perlunica s.r.l., operating in the jewellery and precious goods sector. Statutory auditor at Propac s.r.l., a medium sized company operating in the packaging sector. Alternate statutory auditor in several small and medium sized companies.
Armando Ponzini	Director (since 8 May 2023)	Managing Director of GT Insurance s.r.l. a multi-firm wholesale insurance agency focused on special risks.
Vincenza Patrizia Rutigliano	Director (since 8 May 2023)	
Vanda Ternau	Director (since 8 May 2023)	Member of the board of Interporto Cervignano del Friuli Spa, an intermodal terminal integrating motorway, airport and rail connections in a single logistics infrastructure for the transport of goods.

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 separate roles with regard to their duties. 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 8 May 2023.

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 8 May 2023, 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 with subjects or companies external to the Poste Italiane Group 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 organisational 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 appointment of directors and statutory auditors of the listed companies in which Poste Italiane holds an equity investment and 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 has 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 net 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:** Matteo Petrella (Chairman), Carlo D'Asaro Biondo, Valentina Gemignani;
- **Remuneration Committee:** Carlo D'Asaro Biondo (Chairman), Paolo Marchioni, Armando Ponzini;
- **Nominations and Corporate Governance Committee:** Patrizia Rutigliano (Chairwoman), Valentina Gemignani, Vanda Ternau;
- **Related and Associated Parties Committee:** Armando Ponzini (Chairman), Vanda Ternau, Matteo Petrella; and
- **Sustainability Committee:** Silvia Rovere (Chairwoman), Patrizia Rutigliano, Paolo Marchioni.

#### ***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:

<b>Name</b>	<b>Position</b>	<b>Main activities outside the Group</b>
Mauro Lonardo	Chairman of the Board of Statutory Auditors (since 24 May 2016, appointment last renewed 28 May 2022)	Chairman of the Board of Statutory Auditors of Unicompany S.p.A., Poste Air Cargo S.p.A., Net Holding S.p.A., Net insurance S.p.A. and Net Insurance Life S.p.A. Member of the Board of Statutory Auditors of Arkad S.p.A. Sole Auditor of Uniholding s.r.l. and ISD Ecole Francais Internationale de Rome S.r.l. Partner of RSM Studio Tributario e Societario
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. Statutory Auditor of IAR S.p.A., Aboca 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.
Gianluigi Fiorendi	Statutory Auditor (since 28 May 2022)	Chairman of the Board of Statutory Auditors of Urai S.p.A. Chairman of the Board of Statutory Auditors of Invin S.r.l. Member of the Board of Statutory Auditors of Lifenet S.r.l. Member of the Board of Statutory Auditors of Centro Medico Privato Lazzaro Spallanzani S.r.l. Member of the Board of Directors of FM di Mariangela Mosconi & C. Snc.
Francesco Fallacara	Alternate Auditor (since 28 May 2022)	Member of the Board of Directors of ArgoGlobal Assicurazioni S.p.A. 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., Westim SpA, Nextchem SpA, Krimkisa Floating Wind Srl, MI SpA Statutory Auditor of Roco Edil Romana Costruzioni edilizie Srl, Eni Progetti S.p.A, Nextchem Tech SpA, 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., Telecom Italia Sparkle SpA, Atis Floating Wind Srl, Marine Interiors Cabins SpA, CURSA Consorzio Universitario per la ricerca socioeconomica e per l'ambiente Alternate Auditor of Banca Consulia S.p.A., Capital Shuttle S.p.A., 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, Pirelli Servizi Amministrazione e tesoreria SpA Member of the Supervisory Body pursuant to Legislative Decree No. 231/01 of Pirelli International Treasury SpA Sole auditor of GB Trucks Socio Unico S.r.l., SIBI S.r.l., I Casali del Pino S.r.l., Fondazione Maire Tecnimont
Sonia Ferrero	Alternate Auditor (since 28 May 2022)	Chairman of the Board of Statutory Auditors of Geox S.p.A. Chairman of the Board of Statutory Auditors of Giubileo 2025 S.p.A. IREN S.p.A., F.I.L.A. Fabbrica Italiana Lapis ed affini S.p.A. Member of the Supervisory Body pursuant to Legislative Decree No. 231/01 of Mundys S.p.A. (formerly Atlantia S.p.A.)
Antonio Santi	Alternate Auditor (since 27 April 2017 and, lastly, since 28 May 2022)	Member of the Board of Enav S.p.A., Adué Consulting S.r.l., Studio Laghi S.r.l. Sole Administrator of Italcare Capital Partners S.r.l., Stella Luminosa S.r.l. Chairman of the Board of Statutory Auditors of Recordati S.p.A. Member of the Board of Statutory Auditors of Webuild S.p.A., Italgas Reti S.p.A., Acea Liquidation and S.r.l. – Acea Group Chairman of the Board of Statutory Auditors of F.A.I. Service S.COOP, Ombrone S.p.A., Addivision S.p.A. - SIM Chairman of the Board of Statutory Auditors of C-Zone S.p.A in liquidation Chairman of the Board of Statutory Auditors of CQS Holding in liquidation Chairman of the Board of Statutory Auditors of Ktesios Holding S.p.A. in liquidation Chairman of the Board of Statutory Auditors of LKTS S.p.A. in liquidation.

		Chairman of the Supervisory Body pursuant to Legislative Decree No. 231/01 of F.A.I. Service S.COOP
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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, suppliers and other counterparties;
- interpretation of the provisions of employment agreements, by employees (in particular by fixed-term employees requiring the conversion of their contracts into permanent contracts); and
- interpretation of contractual clauses, by suppliers and other counterparties.

The Group made provisions for disputes with third parties of Euro 298 million and with staff of Euro 35 million as at 31 December 2022 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 (*Use of estimates*) of the consolidated financial statements as at 31 December 2022 included in the 2022 Annual Report and Section 2.5 (*Use of estimates*) of the condensed consolidated financial statements as at 30 June 2023, included in the 2023 Half-Yearly Report, incorporated by reference in this Base Prospectus).

## **Pending proceedings and relations with relevant supervisory authorities**

The paragraphs below describe the most material pending proceedings with supervisory authorities in which the Group is involved, based on the value of the claim or their potential relevance for other reasons.

### ***Italian Competition Authority (AGCM)***

#### **Unfair commercial practices**

- **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 alleged that: (i) during the placement of such postal certificates, Poste Italiane failed to indicate their maturity and/or prescription date, and 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 expiration of the time-barring period of such expiration and of 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 writ, Poste Italiane claimed that its role was as a mere placer of the postal certificates. Highlighting the nature of such postal certificates, Poste Italiane 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 certain initiatives put in place, on a voluntary basis, with the aim of eliminating AGCM's concerns, without prejudice to the proceedings. On 4 November 2022, AGCM notified Poste Italiane of its final decision, imposing on Poste Italiane an administrative penalty of Euro 1.4 million. This amount included a 60% reduction to the penalty, which was deemed appropriate in light of the actions Poste Italiane had put in place on a voluntary basis, which were deemed to have improved the information provided to consumers. The authority's resolution was appealed before the Regional Administrative Court by the Company. On 13 September 2023 the Regional Administrative Court with judgment no. 13747/2023, suspended the proceeding for a referral to the European Court of Justice regarding the compatibility with EU law of the domestic law stating that AGCM shall initiate proceedings within no more than 90 days from the point in time when the authority itself became aware of the potential violation (which could be the first reporting of the violation to AGCM itself).

### ***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, the burden will be on Poste Italiane 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.

On 2 August 2022, with Notice of Objection no. 2/22/DSP, AGCom initiated sanctioning proceedings against Poste Italiane for non-compliance with the quality objectives on products included in the Universal Postal Service for the year 2021, identifying five objections. With Determination no. 27/22/DSP, notified on 12 October 2022, the authority dismissed the sanctioning proceeding as the Company availed itself of the benefit of Article 16 of Law no. 689 of 24 November 1981, with reduced payment of the sanctions for all the disputes.

On 20 June 2023, with notice of dispute no. 10/23/DSP, AGCom initiated sanctioning proceedings against Poste Italiane for presumed irregularities in the processing of judicial documents, raising seven disputes. On 4 August 2023, Poste Italiane subsequently presented a defense document, deciding not to avail of the reduced payment. On 22 September 2023 a hearing was held between Poste Italiane and AGCom. The outcome of the proceedings has yet to be defined and is expected in early 2024.

See further section “*Regulatory Framework (Mail, Parcels and Distribution – recent history and current framework)*” above for a description of the pending proceedings with AGCom in relation to the net cost of the Universal Postal Services for 2011 - 2021.

#### ***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. The investigations of ANAC revealed some behavioural shortcomings but ended without sanctioning measures. There are currently no legal proceedings pending that involve Poste Italiane in relation to the same facts. Poste Italiane is not aware of any criminal convictions against any of its employees in relation to the same facts.

#### ***Italian Social Security Institute (INPS)***

From 2012 until 30 September 2022, the INPS office at Genoa Ponente issued Postel with a number of payment orders, for a total amount of €27,258,841.51, 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 judgments 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 judgments, 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, given that Postel was 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 first instance judgment 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 in the court proceedings. In two judgments dated 28 December 2018, the Court of Appeal of Genoa confirmed in full the first instance judgments, 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 judgment 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 instance ruling. Postel and INPS appeared before the court by serving and filing a defence and a cross-appeal to the Italian Court of Cassation. As of the date of this Base Prospectus, the proceedings 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 ordered Poste Italiane to pay the CUAFF 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 first instance ruling. On 21 January 2022, INPS notified to Postel the appeal to the Italian Court of Cassation and Postel appeared before the court, 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 sums referred to in the notice subject to appeal by Poste Italiane not to be due. On 29 July 2021, INPS filed an appeal and Postel appeared before the court, also filing 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, ordering Postel to pay the amount indicated in INPS's payment notice in the amount of approximately €9,000. The ruling became final because INPS did not bring any appeal.
- 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 CUAFF rate of 4.40% of taxable income for social security purposes. Postel acted in different ways depending on the period in question:
  - for October, November and December 2019, Postel carried out an adjustment of the payment of the CUAFF 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 CUAFF;
  - 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 the 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 judgments, the reasons given for the judgments 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 financial statements as at 31 December 2022 amounted to €12.56 million.

### ***Bank of Italy***

The Bank of Italy, from 14 March 2022 to 15 July 2022, conducted an inspection at Poste Italiane SpA - BancoPosta RFC, into the profitability, business model, governance and control systems, interest rate risk management methods including related internal modelling, new tax credit business and associated risks. On 30 November 2022, the report containing a number of findings and a "partially unfavourable" assessment was delivered to Poste Italiane. Poste Italiane, by the established deadline and after discussion at the Board of Directors' meeting of 25 January 2023, notified the Bank of Italy of its considerations and planned improvements. For the only finding in respect of which a sanctioning procedure was initiated, the Company sent counter-claims in support of the correctness of its actions. The improvement plan communicated to the Bank of Italy is currently being implemented in a timely manner and is monitored on a monthly basis by BancoPosta's control functions. More than 90% of the improvement plan has already been implemented.

On 20 July 2022, the Bank of Italy sent a notice to Poste Italiane SpA - BancoPosta RFC and PostePay concerning the manner in which the funds received by PostePay in respect of the issuance of electronic money should be managed. The Supervisory Provisions for EMI provide that such funding may be deposited with a bank authorised to operate in Italy, or invested in qualified debt securities or particular units of harmonised mutual funds. Since the creation of PostePay, these sums are deposited in a postal current account (protection account) and contribute to the funds from private customers of Bancoposta RFC, which are invested in euro area government bonds. In this regard, the authority initiated discussions with BancoPosta and PostePay in 2021, in view of the fact that BancoPosta was not deemed to be an entity that could be assimilated to the concept of "credit institution" under the relevant European legislation. In the face of a proposed alternative approach, aimed at equating the deposit with BancoPosta of the sums collected by PostePay with a direct investment in qualified debt securities, in the aforementioned communication the authority asked BancoPosta and PostePay for further observations, aimed at identifying an operational solution that would allow full alignment with the relevant regulatory provisions. Upon completion of the further investigations requested, a transitional solution was identified, also on the basis of the discussions with the authority. This solution was presented to the Bank of Italy in a joint communication by BancoPosta and PostePay on 29 March 2023.

During the last quarter of 2022, the Bank of Italy conducted two inspections of PostePay S.p.A. – EMI RFC, one "of a general nature" initiated in September 2022 and one concerning "unauthorised payment transactions, frauds and disallowances" initiated in November 2022. Both inspections were completed in December 2022.

On 27 March 2023, the Bank of Italy delivered the findings attributable to the first "general" audit with a "partially favourable" outcome, against which an action plan was defined and forwarded to the authority in April 2023. In relation to the second "disallowance" inspection, on 14 July 2023, the Bank of Italy delivered its findings with evidence of some areas for improvement, against which a plan of action already initiated by the company has been defined and transmitted to the authority in September 2023.

Moreover, in February 2023, the Bank of Italy initiated a third inspection aimed at verifying the "open banking" procedures provided for in the PSD2 Directive to allow access to online payment accounts from third parties. The inspection ended in March 2023. On 25 September 2023, BancoPosta delivered the results noting that the tools prepared by the intermediary for third party access are adequate, with some aspects susceptible to improvement, against which an action which has been defined and was submitted to the Authority in October 2023.

### ***Italian Insurance Services Regulator (IVASS)***

On 23 February 2023, IVASS served a notice of dispute for an alleged breach of Article 183(1)(a) of the Private Insurance Code arising from the alleged delay of the settlement of insurance benefits beyond the contractually agreed time limit. Poste Vita filed its counter-arguments within the deadlines provided for by the sector regulations. Subsequently, on 24 August 2023, IVASS sent Poste Vita the "Proposal for the imposition of administrative sanctions" with which it requested the application of the minimum administrative fine of €30,000 against the company; however, the final outcome has not yet been communicated.

With regard to the IVASS inspection concerning governance, management and control profiles of investments and financial risks concluded on 7 May 2021, the decision-making phase was concluded by the supervisory authority, which notified the company of a pecuniary fine of Euro 1.8 million. The sanction was imposed as a result of violations of the applicable regulations found by IVASS with particular reference to: alleged failures in the governance and management of financial risks as well as in the protection of policyholders' rights for investments made through so-called "multi-asset" funds; and alleged deficiencies in the process of defining risk-appetite framework. However, the authority pointed out in its official statements that the countermeasures set out in the remedial plan submitted by the company to overcome the detected irregularities had been completed.

Following the inspection initiated by IVASS on 7 March 2023 on Poste Vita and concerning the verification of the management process of so-called dormant policies, the company prepared an action plan, aimed at strengthening the monitoring of the management of dormant policies and increasing the effectiveness and efficiency of the settlement process of the aforementioned policies. At the same time, the company drew up a plan of checks both on the execution of the aforementioned plan and on certain operational areas adjacent/ancillary to the area of dormant policies (e.g. contractual conditions set out in the general conditions of insurance and communications to claimants). The results of the inspection, which ended on 21 April 2023, were presented by IVASS officials at the board meeting on 28 September 2023. The action plan drawn up by the company during the inspection was further supplemented to bring it in line with the supervisory authority's findings.

See further the section "*Proceedings pending and principal relations with the Authorities*" in the 2023 3Q Interim Report, the 2023 Half-Yearly Report and the 2022 Annual Report, incorporated by reference in this Base Prospectus.

### **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 aggregate value of the dispute subject to the class action 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, in an order dated 11 January 2022, held that the request submitted by Federconsumatori was manifestly unfounded, recognising, *inter alia*, the lack of passive legitimacy of Poste Italiane. Federconsumatori appealed the order of the Court of Rome, and the Court of Appeal set the hearing for closing arguments for 22 May 2024.

#### WINDTre/PostePay

On 31 March 2022, WindTre S.p.A. (a former partner of PostePay and former wholesale supplier of the access network for the provision of mobile communications services) served PostePay with a summons at the Civil Court of Rome, to obtain the assessment of alleged credits owed, claimed by WindTre S.p.A. against PostePay as regards the “Contract for wholesale access services in FULL MVNO mode”, entered in force between the parties since 2013.

The fees claimed by WindTre S.p.A. appear to be the result of a certain interpretation and application of the contractual clauses concerning certain economic tariff components.

#### AGCM/PostePay

On 9 August 2022, following the outcome of the preliminary investigation proceedings no. PS/11936 (the **Procedure**), AGCM notified PostePay with the final ruling no. 30286 (the **Measure**), through which AGCM ascertained an infringement and sentenced PostePay to pay a fine of €1,800,000, later reduced to € 1,500,000, in consideration of the measures taken by PostePay aimed at removing the sanctioned conduct.

Due, among other things, to the partial and insufficient recognition of the measures adopted by PostePay, the refusal to examine those which had been further proposed and the failure to accept the defence requests that were presented, PostePay deemed it appropriate to file an appeal against the Measure before the Administrative Court of Lazio – Rome on 28 October 2022. Payment of the fine imposed by the AGCM was made by PostePay with an express reservation of appeal and, if any, of restitution (total or partial) of the amount paid by way of fine in the event of annulment (full or partial) of the Measure by the Administrative Court of Lazio – Rome and/or by the Council of State.

The appeal before the Lazio Regional Administrative Court has the aim of obtaining (i) by way of preliminary argument, the annulment of the Measure, (ii) in the alternative, the annulment of the fine imposed or (iii) by way of further alternative petition, the reduction of the fine to an extent equal to the statutory minimum.

PostePay is waiting for the first hearing for discussion of the appeal to be scheduled.

On 7 November 2022, PostePay, without acquiescing to the Measure, took steps to send the compliance report to the AGCM, aimed at illustrating the measures adopted by PostePay to deal with the AGCM’s complaints – despite having challenged these through the abovementioned appeal.

The AGCM, on 2 December 2022, after having received the response of PostePay to its request for further information, and following the meeting of the Council held on 13 December 2022, communicated to PostePay that it has taken note of PostePay’s compliance with the provision.

#### Proceedings relating to the regime for access to the universal postal network

On 18 December 2017, three different appeals were lodged before the Lazio Regional Administrative Court by several operators, specifically the Fulmine Group S.r.l. (AREL – Delivery Licensees Agency consortium company), Nexive S.p.A. and Assopostale/GPS/MailExpress/CityPost. In these appeals, each operator requested the cancellation of Resolution 384/17/CONS, 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 AREL appeal was declared peremptory as no request to



schedule a hearing was submitted; Nexive S.p.A.'s appeal was declared inadmissible due to the renunciation of the appellant; while the appeal by MailExpress et al. is still pending (the hearing on merits has not yet been scheduled).

### Proceedings relating to tenders

Poste Italiane has become aware of certain criminal investigations that have been carried out by the Rome prosecution office (Procura di Roma) involving several employees of Poste Italiane in the context of tenders for IT services between the years 2016-2021. As at the date of this Base Prospectus, no formal action has been brought by the prosecution office or other authorities against Poste Italiane in connection with these investigations, nor has Poste Italiane been notified of any pending conviction being pronounced against any of its employees in this connection.

### 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 and Article 121 of the so-called *Decreto Rilancio* (Decree Law No. 34/2020 converted as amended by Law No. 77/2020) and following a number of rulings by the Italian Court of Cassation on the unusability of tax credits due to conduct unrelated to the transferee, Poste Italiane has conducted a legal and accounting analysis to assess the potential risks arising from such type of disputes (for further details, see "*Business of the Group – 3. Financial Services*" above and the paragraph "*Provisions for risks and charges*" (page 513) in the 2022 Annual Report, incorporated by reference in this Base Prospectus). In this connection, the Group is also involved in certain legal proceedings in which it is a *bona fide* third party/injured party, the outcome of which has yet to be ascertained: see further paragraph A10 (*Tax Credits Law no. 77/220*) in Part 2, Section 4 (page 567) of the 2022 Annual Report, incorporated by reference in this Base Prospectus.

### 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 (PVC), 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 (PVC) (from 2014 to 2017) in order to seek an out-of-court settlement.

In the course of 2022, an out-of-court settlement was reached with the Lazio Regional Tax Office for Large Taxpayers, which in fact resulted in the partial cancellation of the VAT findings resulting from the Guardia di Finanza's Report on Findings of 29 November 2018 for all the years concerned, with the total amounts due being redetermined at approximately €0.185 million in total. With specific respect to 2015, the overpaid amount was €1.2 million. For this reason, in February 2023, a refund application was filed with regard to the aforementioned amount, for which SDA is awaiting a response from the Tax Authorities.

During the first half of 2023, the facilitated conciliation procedure was formalised, which led to the conclusion of the case for the 2014 tax year.

With respect to 2016 a tax settlement has already been signed. Finally for 2017 and 2018 no tax assessments have been notified to date, even if based on the procedure with Tax Authorities no material amounts are expected to be assessed.

The Court of Cassation, in a ruling published on 5 July 2023, upheld the most significant grounds of an appeal by Poste Italiane concerning the accrual of interest on the IRES receivable arising from the failure to deduct personnel expenses for IRAP purposes. As a result of this ruling, the case will have to be resumed before the Tax Court of Second Instance to settle the amount of interest actually due to the Group.

### **Anti-money laundering**

As at 5 December 2023, Poste Italiane had 42 pending notifications regarding the violation of the anti-money laundering legislation, of which: (i) seven relate to the failure to report suspicious transactions to the FIU; (ii) 34 relate to the failure to report to the MEF; and (iii) one relates 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).

### **Corporate Governance**

The corporate governance system adopted by Poste Italiane complies with the principles set out in the Corporate Governance Code 2021 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		Year end	
	FY 2022	FY 2021	31.12.2022	31.12.2021
Executives	660	668	679	627
Middle managers	15,136	15,172	15,161	14,843
Operational staff	89,871	91,811	89,896	89,130
Back-office staff	4,619	4,657	6,080	3,435
<b>Total employees on permanent contracts*</b>	<b>110,286</b>	<b>112,308</b>	<b>111,816</b>	<b>108,035</b>

(\*) Figures 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.<sup>4</sup> The IT processes, together with the IT infrastructure and software applications, are under the responsibility of the Chief Digital, Technology & Operations Officer.<sup>5</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> IT systems relating to human resources are under the direct control of Human Resources and Organisation.

## 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 2021 Annual Report and the 2022 Annual Report.

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 2.4 (*Use of estimates*) of the 2022 Annual Report and Section 2.5 (*Use of estimates*) of the 2023 Half-Yearly Report).

As of 1 January 2023, the Poste Italiane Group adopted the standard “IFRS 17 Insurance Contracts” (Commission Regulation (EU) 2021/2036 of 19 November 2021), replacing IFRS 4. As required by the new standard, the transition date to IFRS 17 has been set at 1 January 2022. In this regard, it should be noted that certain figures as at 31 December 2022 have been adjusted and reclassified to take into account the new provisions of IFRS 17 – Insurance Contracts, which came into force on 1 January 2023. For the Poste Italiane Group, the application of IFRS 17 concerned the insurance companies of the Poste Vita Group (Poste Vita, Poste Assicura, Net Insurance and Net Insurance Life) as well as the Parent Company, limited to the related impact on the consolidated financial statements. The purpose of IFRS 17 is to: (a) ensure that an entity provides information that fairly represents the rights and obligations arising from the insurance contracts issued; (b) eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts (including reinsurance contracts); and (c) improve comparability between entities belonging to the insurance sector by providing for specific presentation and disclosure requirements.

The standard changes the representation of the profitability of the insurance business from a presentation of results by volume (premiums issued and claims expenses) to a representation more focused on contract margins. Revenue from the insurance business are composed of periodic releases of Liabilities under insurance contracts, including the Contractual Service Margin (CSM) component pertaining to the period, representing the profitability of insurance contracts issued. See further paragraphs 2.3 (*New Accounting Standards and Interpretations*) and 2.4 (*Changes to Accounting Policies*) in the 2023 Half-Yearly Report, incorporated by reference in this Base Prospectus.

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

(€ in millions)

ASSETS	31 December 2022	31 December 2021
<b>Non-current assets</b>		
Property, plant and equipment	2,404	2,267
Investment property	31	32
Intangible assets	1,817	873
Right-of-use assets	1,334	1,116
Investments accounted for using the equity method	267	277
Financial assets	191,850	221,226
Trade receivables	3	3
Deferred tax assets	2,044	1,245
Other receivables and assets	4,118	4,012
Tax credits Law no. 77/2020	7,458	5,551
Technical provisions attributable to reinsurers	44	50
<b>Total</b>	<b>211,370</b>	<b>236,652</b>
<b>Current assets</b>		
Inventories	157	155
Trade receivables	2,179	2,508
Current tax assets	140	115
Other receivables and assets	1,096	1,146
Tax credits Law no. 77/2020	1,563	905
Financial assets	34,290	27,630
Cash and deposits attributable to BancoPosta	5,848	7,659
Cash and cash equivalents	4,983	7,958
<b>Total</b>	<b>50,256</b>	<b>48,076</b>
<b>TOTAL ASSETS</b>	<b>261,626</b>	<b>284,728</b>

## Consolidated statement of financial position (continued)

LIABILITIES AND EQUITY	31 December 2022	31 December 2021
<b>Equity</b>		
Share capital	1,306	1,306
Reserves	(352)	3,599
Treasury shares	(63)	(40)
Retained earnings	8,002	7,237
<b>Total equity attributable to owners of the Parent</b>	<b>8,893</b>	<b>12,102</b>
Equity attributable to non-controlling interests	44	8
<b>Total</b>	<b>8,937</b>	<b>12,110</b>
<b>Non-current liabilities</b>		
Technical provisions for insurance business	139,986	159,089
Provisions for risks and charges	804	693
Employee termination benefits	705	922
Financial liabilities	10,939	15,122
Deferred tax liabilities	700	953
Other liabilities	2,004	1,749
<b>Total</b>	<b>155,138</b>	<b>178,528</b>
<b>Current liabilities</b>		
Provisions for risks and charges	551	575
Trade payables	2,234	2,029
Current tax liabilities	60	16
Other liabilities	2,000	1,860
Financial liabilities	92,706	89,610
<b>Total</b>	<b>97,551</b>	<b>94,090</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>261,626</b>	<b>284,728</b>

## Consolidated statement of profit or loss

(€ in millions)

	FY 2022	FY 2021
Revenue from Mail, Parcels and other	3,651	3,694
Net revenue from Financial Services	4,938	4,783
Revenue from Financial Services	5,125	4,931
Expenses from financial activities	(187)	(148)
Revenue from Insurance Services after changes in technical provisions and other claim expenses	2,153	1,861
Insurance premium revenue	17,518	17,829
Income from insurance activities	4,437	4,374
Change in technical provisions for insurance business and other claim expenses	(13,794)	(19,964)
Expenses from insurance activities	(6,008)	(378)
Revenue from Payments and Mobile	1,147	882
<b>Net operating revenue</b>	<b>11,889</b>	<b>11,220</b>
Cost of goods and services	2,960	2,873
Personnel expenses	5,226	5,467
Depreciation, amortisation and impairments	830	790
Capitalised costs and expenses	(41)	(33)
Other operating costs	519	253
<i>of which non-recurring costs</i>	320	-
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	104	24
<b>Operating profit/(loss)</b>	<b>2,291</b>	<b>1,846</b>
Finance costs	126	73
Finance income	169	369
<i>of which non-recurring income</i>	-	225
Impairment losses/(reversals of impairment losses) on financial assets	-	-
Profit/(Loss) on investments accounted for using the equity method	(6)	26
<b>Profit/(Loss) before tax</b>	<b>2,328</b>	<b>2,168</b>
Income tax expense	817	588
<i>of which, non-recurring costs/(income)</i>	-	-
<b>PROFIT FOR THE YEAR</b>	<b>1,511</b>	<b>1,580</b>
of which attributable to owners of the Parent	1,506	1,578
of which attributable to non-controlling interests	5	2
<b>Earnings per share</b>	<b>1.158</b>	<b>1.214</b>
<b>Diluted earnings per share</b>	<b>1.158</b>	<b>1.214</b>

## Consolidated summary statement of cash flows

(€ in millions)

		FY 2022	FY 2021
Cash and cash equivalents at beginning of year		7,958	4,516
Cash flow generated by operating activities before movements in working capital	[a]	2,746	2,114
Cash flow generated by /(used in) movements in working capital	[b]	790	(371)
Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance	[c]	(3,356)	2,441
Net cash flow from /(for) operating activities	[d]=[a+b+c]	180	4,184
Net cash flow from /(for) investing activities	[e]	(1,606)	(422)
Net cash flow from/(for) financing activities and shareholder transactions	[f]	(1,549)	(321)
Effect of exchange rate differences on cash and cash equivalents	[g]	-	1
Net increase/(decrease) in cash	[h]=[d+e+f+g]	(2,975)	3,442
Cash and cash equivalents at end of year		4,983	7,958



### **Key Events since 30 June 2023**

On 3 August 2023, as part of a system-wide transaction to take over the policy portfolio of Eurovita S.p.A. (**Eurovita**) following the latter's crisis, Poste Vita contributed to the establishment of the corporate vehicle Cronos Vita S.p.A. (which subsequently changed its name to Cronos Vita Assicurazioni S.p.A., **Cronos**), invested in by, in addition to Poste Vita, Allianz, Generali Italia S.p.A., Intesa Sanpaolo Vita S.p.A. and UnipolSai Assicurazioni S.p.A., with the purpose of acquiring a business unit consisting essentially of the assets and liabilities relating to the Eurovita insurance business, following the latter's admission to compulsory liquidation proceedings. In September 2023, the insurance companies involved, Cronos, the banks distributing Eurovita products and certain system banks signed the final agreements within their respective competences to regulate their rights and obligations in relation to the transaction. As part of the aforementioned transaction, in September and October 2023, Poste Vita participated in two capital increases of Cronos. On 30 October 2023, IVASS authorised the sale of the business unit from Eurovita to Cronos, effective from 27 October 2023.

In June and July 2023, the boards of directors of LIS Holding and PostePay approved the project for the partial demerger of LIS Holding in favour of PostePay, with direct assignment of the 100% stake in LIS Pay S.p.A. to the EMI RFC. In this regard, on 28 June 2023, Poste Italiane's Board of Directors authorised the participation of Poste Italiane in the extraordinary shareholders' meeting of PostePay to approve the demerger transaction and the amendment of the rules of the EMI RFC, in order to allow the allocation to the latter of investments in other payment institutions and the removal of the restriction on the allocation to the EMI RFC of the investment in LIS Holding. The demerger transaction, which is expected to become effective by the end of 2023, once authorisation has been obtained from the Bank of Italy, is aimed at achieving the following objectives for PostePay: (i) strengthening the system of internal controls; (ii) accelerating the integration of the LIS Pay business; and (iii) optimising capital absorption.

On 29 June 2023, Poste Italiane notified Milkman S.p.A. (**Milkman**) of its intention to exercise its call option on the shares held by the latter in MLK Deliveries, equal to approximately the remaining 30% of the share capital of MLK itself (the **Milkman Stake**). Following exercise of the call option based on the criteria originally agreed upon in the contractual agreements signed in 2020, Poste Italiane acquired full control of MLK Deliveries.

On 24 January 2023, Sourcesense finalised the acquisition of Eco Mind Ingegneria Informatica S.r.l. (**Eco-Mind**) and its subsidiary HeadApp S.r.l., IT companies operating as software factories specialising in the design and development of business, mobile and cloud-native solutions and augmented and virtual reality solutions. The two companies Eco Mind and HeadApp were subsequently merged into a newco named Sourcesense Platforms S.r.l., with effect from 1 July 2023.

On 24 November 2022, binding agreements were signed for Poste Italiane to participate in a capital increase promoted by Moneyfarm in order to finance part of the purchase price of 100% of Profile Financial Solutions Ltd, a company active in the pension fund consolidation business in the UK under the Profile Pensions brand. Following receipt of the necessary approvals from the UK regulator (the Financial Conduct Authority) on 5 July 2023, the closing of the transaction was formalised at the end of July 2023.

See further paragraph 4.4 (*Group Structure and Main Corporate Actions during the Period*) and paragraph 7.1 (*Other Information – Events after 30 September 2023*) in the 2023 3Q Interim Report, incorporated by reference in this Prospectus.

## TAXATION

*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. This overview also assumes that each transaction with respect to the Notes is at arm's length.*

*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.*

*Where in this overview, English terms and expressions are used to refer to Italian concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian concepts under Italian tax law.*

*Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*

### Republic of Italy

Law No. 111 of 9 August 2023, recently approved by the Italian Parliament, has delegated the Italian Government to enact, within the next twenty-four months, one or more legislative decrees envisaging the reform of the Italian tax system (the **Tax Reform**).

According to the aforementioned Law, the Tax Reform could significantly change the taxation of financial income and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage.

Therefore, the information provided in this Prospectus may not reflect the future tax framework.

### 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 (**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, an amount not lower than their nominal value or principal amount, 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 (other than undertakings for collective investment, as defined below) or a 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 the 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 or in a change of the Intermediary or deposit account wherewith which the Notes are deposited.

In order to apply the *imposta sostitutiva*, the Intermediary opens an account (*conto unico*) 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 *conto unico* 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 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 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 private or public institutions carrying out commercial activities and holding the Notes in connection with this kind of activities, and 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 the Noteholder is a commercial partnership (e.g. limited partnership qualified as *società in nome collettivo* or *società in accomandita semplice*, holding the Notes in connection with this kind of activities), Interest is instead attributed and subject to taxation in the hands of the partners according to the tax transparency principle.

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 deposited in due time, together with the relevant coupons, with an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, nor to any other income tax in the hands of the Funds. However, the Interest 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**), if the Notes, together with the relevant coupons, are timely deposited with an authorised Intermediary. 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) subject to certain conditions and to additional documentary filings, 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**). Organisations 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 to be eligible for the exemption from *imposta sostitutiva*. 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 and documentary filing obligations 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.

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.

### *Atypical securities*

Notes that, from a tax perspective, are not deemed to fall within neither the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), as described under the caption “Notes that qualify as “*obbligazioni*” or “*titoli similari alle obbligazioni*””, nor in the category of shares and assimilated instruments under Art. 44 of Decree No. 917 would qualify as atypical securities and, as a consequence, such Notes may fall out of the scope of Decree 239; in this case, interest, premium and any other income (including the difference between the redemption amount and the issue price) relating to and the Notes would be subject to a withholding tax, levied at the rate of 26 per cent pursuant to Law Decree No. 512 of 30 September 1983. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 or a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) may be exempt from the withholding tax on interest, premium and other income (including the difference between the redemption amount and the issue price) relating to the Notes not falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) and issued by an Italian resident issuer, if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Italian law.

In the case of Notes issued by an Italian resident, where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected; (b) an Italian company or a similar Italian commercial entity; (c) a permanent establishment in Italy of a foreign entity; (d) an Italian commercial partnership; or (e) an Italian commercial private or public institution, the withholding tax is a provisional withholding tax. In all other cases the withholding tax is a final withholding tax. For non-Italian resident Noteholders, the withholding tax rate may be reduced in certain cases by any applicable tax treaty (to the extent the conditions for its application are met).

## **Capital Gains**

### *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 (other than undertakings for collective investment, as described 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.

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 not in connection with an entrepreneurial activity, 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. This regime constitutes the default regime for Noteholders *sub* (i) to (iii) above;
- (ii) pursuant to the non-discretionary investment portfolio regime (*Regime del risparmio Amministrato*), 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, net of any incurred capital loss. The intermediary is required to pay the relevant amount to the Italian tax authorities on behalf of the Noteholder by the 15th 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 capital 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) Noteholders may opt for the discretionary investment portfolio regime (*Regime del Risparmio Gestito*), under which, 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 at year end. 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.

*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), commercial partnerships or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected on sale, transfer or redemption of the Notes will form part of their taxable income. 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. 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.

#### *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.

#### *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.

#### *The Real Estate Investment Funds*

Capital gains on the Notes are not taxable at the level of Real Estate Investment Funds. A withholding tax may apply in certain circumstances at a 26 per cent. rate 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 on the 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.

#### *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, 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; the exemption may be subject in certain cases to the timely filing of specific 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, providing that the Noteholder is not resident in the Republic of Italy for tax purposes and has no permanent establishment in Italy to which the Notes are effectively connected. 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 also



*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, 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 same self-certificate form mentioned under Article 7 (2) Decree No. 239 can be used. In this case, if the non Italian Noteholders apply the *risparmio amministrato* regime or have opted for 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. If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders without a permanent establishment in Italy to which the Notes are connected from the sale or redemption of Notes and not traded on regulated markets, are subject to the *imposta sostitutiva* at the current rate of 26 per cent.;

- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are effectively connected that are eligible to 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.

In the case of Notes that qualify as atypical securities, based on a very restrictive interpretation, capital gains realised thereon could be treated as proceeds derived under the Notes, to be subject to the 26 per cent. withholding tax mentioned under paragraph “*Atypical Securities*”, above.

### **Inheritance and gift taxes**

Pursuant to Law No. 346 of 31 October 1990 and Law No. 262 of 3 October 2006, converted into 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 descendants or direct ancestors: 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 severe disabilities 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, 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, voluntary registration or on occurrence of the so-called cross-reference (*enunciazione*).

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 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. The taxable base for the 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, as inferable from the intermediary's records.

The communications are 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 them 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 – where the market value is not 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 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 applies.

### **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.

Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

### **EU directive on administrative cooperation and OECD automatic exchange of information common reporting standards in Italy**

The EU Savings Directive adopted on 3 June 2003, by the EU Council of Economic and Finance Ministers (as subsequently amended) on taxation of savings income in the form of interest payments has been repealed from 1 January 2016 to prevent overlap between the Savings Directive and the new automatic exchange of information regime implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard (**CRS**) to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

Italy has enacted Italian Law No. 95 of 18 June 2015 (**Law 95/2015**) and the Italian Ministerial Decree dated 28 December 2015 implementing the CRS (and the amended EU Directive on Administrative Cooperation), which has entered into force on 1 January 2016, implemented Law 95/2015 and provides for the exchange of information in relation to the calendar year 2016 and later.

In the event that the Noteholder holds the Notes through an Italian financial institution (as meant in the Italian Ministerial Decree of 28 December 2015 implementing Law 95/2015), they may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the Italian implementation of the CRS.

Finally, on 25 May 2018 the EU Council Directive 2018/822 (the **DAC 6**) has been adopted. Under the DAC 6 intermediaries and/or taxpayers which meet certain criteria are required to disclose to the relevant Tax Authorities certain information concerning cross-border arrangements, which contain one or more of a prescribed list of hallmarks, performed from 25 June 2018 onwards. Information with regard to reported arrangements will be automatically exchanged by the competent authority of each EU jurisdiction every 3 months.

### **The Proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has later ceased to participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is established or deemed to be established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement dated 6 December 2023 (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 also provides that the obligations of any Dealer to purchase Notes under any agreement for the issue and purchase of such Notes is subject to certain conditions, and any Dealer which agrees to subscribe for Notes will be entitled in certain circumstances to be released and discharged from such obligations prior to the closing of the issue of such Notes. Such circumstances include (but are not limited to) the event that certain conditions precedent are not delivered or met to the relevant Dealers' satisfaction. In this situation, the issuance of such Notes may not be completed and investors will have no rights against the Issuer or the Dealers in respect of any expense incurred or loss suffered in these circumstances.

## 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 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, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## **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 in electronic format:

- (a) on the website of the Issuer at [www.posteitaliane.it](http://www.posteitaliane.it):
  - (i) the by-laws (with an English translation thereof) of the Issuer; and
  - (ii) copies of the most recent audited annual, or unaudited interim, consolidated financial statements of the Issuer published from time to time, together with the accompanying notes and the independent auditors' report (if any);
- (b) in the investor relations section of the website of the Issuer at <https://www.posteitaliane.it/en/debt-rating.html>:
  - (i) Schedule 5 (Provisions of the Meetings of Noteholders) of the Agency Agreement;
  - (ii) 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; and
  - (iii) 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.

In addition:

- (i) copies of the Agency Agreement (which includes the forms of the Global Notes and of the Notes in definitive form, the Receipts, Coupons and Talons) 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); and

- (ii) 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.

In addition, copies of this Base Prospectus, supplements thereto and each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website ([www.luxse.com](http://www.luxse.com)).

The information on the abovementioned websites does not form part of this Base Prospectus unless information contained therein is expressly incorporated by reference into this Base Prospectus.

### **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**

Save as disclosed in the risk factors entitled "*Macroeconomic conditions and risks relating to rising inflation within the Eurozone*" and "*Risks associated with the Russian invasion of Ukraine and the geopolitical environment in general*" in the section "*Risk Factors*", there has been no significant change in the financial performance or position of the Group since 30 September 2023 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2022.

### **Litigation**

Save as disclosed under paragraph "*Litigation*" in the section entitled "*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 2022 and 2021, 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 2023 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*

***Studio Legale Cappelli RCCD***

Piazza Castello 27  
20121 Milano – Italy  
tel. +39 02 32 160 400

*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

**Banca Akros S.p.A.**  
Viale Eginardo, 29  
20149 Milan  
Italy

**Banco Santander, S.A.**  
Avenida Cantabria s/n  
Edificio Encinar  
28660 Boadilla del Monte  
Madrid  
Spain

**Barclays Bank Ireland PLC**  
One Molesworth Street  
Dublin 2, D02RF29  
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

**Crédit Agricole Corporate and Investment Bank**  
12, Place des Etats-Unis, CS 70052  
92547 Montrouge CEDEX  
France

**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

**ING Bank N.V.**  
Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

**Intesa Sanpaolo S.p.A.**  
Divisione IMI Corporate & Investment Banking  
Via Manzoni 4  
20121 Milan  
Italy

**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

**Nomura Financial Products Europe GmbH**

Rathenauplatz 1  
60313, Frankfurt-am-Main  
Germany

**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