



**FIERA MILANO**

FIERA MILANO S.p.A.  
Registered office at Piazzale Carlo Magno 1, Milan  
Operational and administrative offices at S.S. del Sempione 28, Rho (MI)  
Share capital Euro 42,445,141.00, fully paid up  
Milan Register of Companies,  
Tax Code and VAT no. 13194800150

## **DISCLOSURE**

### **ON TRANSACTIONS OF GREATER IMPORTANCE WITH RELATED PARTIES**

REGARDING THE SIGNING BY FIERA MILANO S.P.A.

OF A PROPERTY SUB-LEASE AGREEMENT WITH FAIR RENEW S.R.L. AND  
WITH FONDAZIONE ENTE AUTONOMO FIERA INTERNAZIONALE DI MILANO  
INVOLVING THE ROOFS OF CERTAIN AREAS OF THE RHO-PERO EXHIBITION  
SITE FOR THE INSTALLATION OF A PHOTOVOLTAIC PLANT

AND

AN AGREEMENT WITH FAIR RENEW S.R.L. FOR THE PURCHASE OF  
ELECTRICITY PRODUCED BY THE PHOTOVOLTAIC PLANT

prepared in accordance with article 10.2 on the Procedure for  
Related-Party Transactions of Fiera Milano S.p.A. and  
article 5 of the Provisions adopted by Consob Resolution no. 17221  
of 12 March 2010, as amended.

This document contains a true translation in English of the document in Italian "DOCUMENTO INFORMATIVO RELATIVO AD OPERAZIONI DI MAGGIORE RILEVANZA CON PARTI CORRELATE INERENTE ALLA STIPULA DA PARTE DI FIERA MILANO S.P.A. DI UN CONTRATTO DI SUBLOCAZIONE IMMOBILIARE CON FAIR RENEW S.R.L. E CON FONDAZIONE ENTE AUTONOMO FIERA INTERNAZIONALE DI MILANO AVENTE AD OGGETTO LE COPERTURE DI DETERMINATE AREE DEL QUARTIERE FIERISTICO DI RHO - PERO PER L'INSTALLAZIONE DI UN IMPIANTO FOTOVOLTAICO E DI UN CONTRATTO CON FAIR RENEW S.R.L. AVENTE AD OGGETTO L'ACQUISTO DELL'ENERGIA ELETTRICA PRODOTTA DAL MEDESIMO IMPIANTO FOTOVOLTAICO".

However, for information about Fiera Milano reference should be made exclusively to the original document in Italian.

The Italian version of the "DOCUMENTO INFORMATIVO RELATIVO AD OPERAZIONI DI MAGGIORE RILEVANZA CON PARTI CORRELATE INERENTE ALLA STIPULA DA PARTE DI FIERA MILANO S.P.A. DI UN CONTRATTO DI SUBLOCAZIONE IMMOBILIARE CON FAIR RENEW S.R.L. E CON FONDAZIONE ENTE AUTONOMO FIERA INTERNAZIONALE DI MILANO AVENTE AD OGGETTO LE COPERTURE DI DETERMINATE AREE DEL QUARTIERE FIERISTICO DI RHO - PERO PER L'INSTALLAZIONE DI UN IMPIANTO FOTOVOLTAICO E DI UN CONTRATTO CON FAIR RENEW S.R.L. AVENTE AD OGGETTO L'ACQUISTO DELL'ENERGIA ELETTRICA PRODOTTA DAL MEDESIMO IMPIANTO FOTOVOLTAICO" shall prevail upon the English version.

This Disclosure was filed and made available to the public on 21st March, 2019 at the registered office and the operational and administrative offices of the Fiera Milano S.p.A., on the Company's website ([www.fieramilano.it](http://www.fieramilano.it)), in the section *Investor Relations/Corporate Governance*, and on the website of the authorised storage device [www.emarketstorage.com](http://www.emarketstorage.com)

## INTRODUCTION

This Disclosure (the “**Disclosure**”) was prepared by the Board of Directors of Fiera Milano S.p.A. (“**Fiera Milano**” or “the **Company**”) in compliance with the provisions of article 10.2 of the Procedure on Related-Party Transactions adopted by Fiera Milano (the “**Fiera Milano Procedure**”) and of article 5, first paragraph of the Provisions adopted by Consob by Resolution no. 17221 of 12 March 2010, as amended (the “**Regulations on Related-Party Transactions**”), in relation to the signing by Fiera Milano with Fair renew S.r.l. (“**Fair renew**”) and with Ente Autonomo Fiera Internazionale di Milano (“**Ente Fiera**”) of a property sub-lease agreement relating to the roofs of certain areas of the Rho-Pero exhibition site (Milan) (the “**Sub-lease Agreement**”) for the construction and installation by Fair renew of a photovoltaic plant (the “**Photovoltaic plant**”) and a power purchase agreement with Fair renew (the “**Power Purchase Agreement**” or “**PPA**”) (referred to as a whole as the “**Transaction**”).

The Transaction qualifies as a related-party transaction as Ente Fiera, the controlling entity of Fiera Milano, holds a 40% interest in the share capital of Fair renew, with which a series of blocking rights is associated.

The risk profiles of the Transaction refer in particular to determination of the lease payment for the Sub-lease Agreement and the electricity purchase price based on the PPA.

As the economic terms of the Transaction still depend on unknown quantities (the quantity of energy to be purchased under the PPA cannot be calculated with certainty as yet; furthermore, the duration of the Sub-lease Agreement and PPA are subject to possible renewal), as reference the Company has used the quantities and maximum durations and consequently the Transaction qualifies as a Transaction of Greater Importance pursuant to Annex 3 of the Regulations on Related-Party Transactions and Annex A of the Fiera Milano Procedure.

It should be remembered that Fiera Milano is a smaller-sized listed company and, as such, benefits from the exception granted by article 10, paragraph 1 of the Regulation on Related-Party Transactions. Therefore, without prejudice to disclosure obligations, for the purpose of examination and approval of the Transaction, the procedure for Transactions of Lesser Importance was followed as described in paragraph 9.1 of the Fiera Milano Procedure.

The Transaction was approved by the Company’s Board of Directors on 12 March 2019, after obtaining opinion in favour from the Control and Risk Management Committee of Fiera Milano S.p.A. (the “**Control and Risk Management Committee**”) on 7 March 2019.

In approving the Transaction, the Board of Directors of Fiera Milano delegated powers to the Chief Executive Officer to negotiate, define and sign, notarized or otherwise, the aforementioned Sub-lease Agreement and the PPA, as well as any other deed or document useful or appropriate to their finalisation.

The Board of Directors of Fiera Milano considers that the Transaction is in the interests of the Company, that it is not detrimental to safeguarding corporate assets and that all controls necessary to manage the existing situation between the contracting parties as related parties have been implemented.

This because:

- from a business point of view, the Transaction offers the benefits described in paragraph 2.3;
- from an economic point of view, the Transaction offers benefits to the Company for the reasons illustrated in paragraphs 2.4 and 2.5;

- from a procedural point of view, all the controls necessary for the situation generated by the relationship between the contracting parties have been implemented.

## 1 IMPORTANT

The signing of the Sub-lease Agreement and the Power Purchase Agreement referred to in this Disclosure qualifies as a Related-Party Transaction since, as mentioned previously, Ente Fiera is the majority shareholder of Fiera Milano and in turn holds a 40% interest in the share capital of Fair renew, with which a series of blocking rights is associated.

The Transaction therefore involves a potential risk of conflict of interest with regard to the convenience to the Company of concluding the Transaction and the substantial adequacy and fairness of the related conditions.

Note that, in any event, none of the directors of Fiera Milano holds offices in Ente Fiera or Fair renew, nor are there relations of a family or economic nature between members of the corporate bodies of Fiera Milano and members of the corporate bodies of Ente Fiera or Fair renew.

## 2 INFORMATION RELATING TO THE TRANSACTION

### 2.1 Description of the characteristics, methods, terms and conditions of the Transaction.

The agreements of importance in this case are: (a) the Sub-lease Agreement, relating to a number of roofs of properties at the Rho-Però exhibition site, for the construction and operation of the photovoltaic plant, and (b) the Power Purchase Agreement. In addition to these agreements are a number of unilateral commitments undertaken by Ente Fiera in favour of Fiera Milano, in relation to the Sub-lease Agreement and to the PPA.

The Sub-lease Agreement and the PPA form part of a much broader project launched by Ente Fiera for the construction and management of four photovoltaic plants to be installed on the roofs of Fiera di Milano exhibition pavilions and additional adjacent areas, expected to self-power the energy needs of the Rho exhibition centre managed by Fiera Milano and local utilities under the SEU scheme (Efficient Utilities System), such as Fiera Parking S.p.A., Wind Tre S.p.A. and NH Italia S.p.A., from energy produced by the plants.

Separate illustrations are provided below of the contents of the Sub-lease Agreement and the Power Purchase Agreement involved in the Transaction referred to in this Disclosure.

#### (a) The Sub-lease Agreement and additional commitments of Ente Fiera.

The Sub-lease Agreement between Fiera Milano (as sub-lessor) and Fair renew (as sub-lessee) was signed on 14 March 2019. This agreement also envisages the participation of Ente Fiera given the obligations and rights imposed upon this entity under the terms of the agreement.

For negotiations purposes, the Sub-lease Agreement is associated with and derives from the existing lease between Fiera Milano and Ente Fiera on the properties that make up the exhibition site of Rho-Però, Milan (the "**Base Agreement**"). The Sub-lease Agreement is also associated with the PPA for negotiations purposes.

The Sub-lease Agreement refers to the roofs of certain areas of the Rho-Però exhibition site (Milan) and additional portions of properties leased by Ente Fiera under the terms of the Base Agreement as required for cabling, installation of the necessary earthing pits, conditioning units, service boxes and all else necessary for operation of the photovoltaic plant, as will be further itemised and agreed in good faith between Fiera Milano, Fair renew and Ente Fiera. These areas were sub-leased to Fair renew solely and exclusively for the construction, maintenance and operations (also through third parties) of the photovoltaic plant.

The Sub-lease Agreement enters into effect from the date of signing, 14th March 2019, and remains valid until 30 June 2032, subject to renewal of the Base Agreement at least until that date. The Sub-lease Agreement also envisages automatic renewal for a further six years, until 30 June 2038, provided the duration of the Base Agreement is extended until at least 30 June 2038, without prejudice to cases of cancellation or termination of effectiveness of that agreement. Fiera Milano and Fair renew mutually agree that Fiera Milano can exercise its right to cancel the Basic Agreement in accordance with the terms envisaged therein. The Sub-lease Agreement envisages that Fiera Milano and Fair renew do not have the right of withdrawal, without prejudice in any event to the provisions of article 27, final paragraph of Italian Law 392/1978. Among the other conditions for termination, the Sub-lease Agreement envisages cancellation in the event of failure to release, by the deadline of 12 months from the date of signing, unless extended, of authorisations necessary for the construction and operation of the photovoltaic plant. The Sub-lease Agreement will lapse automatically on expiry, failure to renew, early termination or when effectiveness ceases, for any reason, of the Base Agreement and/or the PPA (in the versions in force at the time).

The sub-lease payment was agreed as 2,180 Euro/MWp (two thousand one hundred and eighty/00) per year, for a total of Euro 17,876.44 (seventeen thousand eight hundred and seventy-six/44), as the photovoltaic plant has a nominal capacity of around 8.2 MWp. This amount, including general costs and accessory charges, will be settled in four quarterly instalments, paid in advance. Fiera Milano and Fair renew have agreed that payment of the first lease instalment will be made by the lessee on actual handover of the properties, or even part of them, and that for the first year the lease payment will be made *pro rata* only for the months in which all or part of the properties are occupied. The lease payment will be updated annually, at the request of Fiera Milano, by 75% of the change in the consumer price index, confirmed by ISTAT, in the preceding 12 months. The Sub-lease Agreement also envisages that: (i) the aforementioned lease payment is gross of any legal withholdings and (ii) failure to pay two consecutive instalments of the aforementioned lease payment will give the lessor the right to cancel the Agreement, pursuant to article 1456 of the Italian Civil Code.

Other primary cancellation situations envisaged in the Sub-lease Agreement are: (i) violation by Fair renew of the Code of Ethics and/or Organisational Model adopted by Fiera Milano pursuant to Italian Legislative Decree 231/2001 or, further, or the provisions of that decree by Fair renew or Fiera Milano; (ii) the failure to sign/renew envisaged insurance coverage; (iii) violation by Fair renew regarding prohibited change of use of the properties sub-leased and termination of the agreement in question or further sub-lease; (iv) works carried out by Fiera Milano or Ente Fiera on the properties sub-leased that would jeopardise operations of the photovoltaic plant.

Certain contingent provisions of the Sub-lease Agreement will apply in the event of its cancellation.

The Sub-lease Agreement contains standard representations and warranties for Fair renew and Fiera Milano.

The Sub-lease Agreement also summarily envisages that: (i) obtaining the authorisations and permits for the construction and operation of the photovoltaic plant will be the responsibility of Fair renew; (ii) the properties sub-leased will be handed over to Fair renew after all the aforementioned authorisations have been obtained and after Ente Fiera has completed major extraordinary works to upgrade and improve the roofs; (iii) Fair renew will be responsible for the routine and non-routine maintenance of the photovoltaic plant; (iv) Fiera Milano and Fair renew both have suitable insurance coverage; (v) Fair renew will hold Fiera Milano, its employees and directors harmless from all third party liability and for direct and indirect damages that be caused to the lessor and/or third parties (including Ente Fiera) by breach of the law, regulations or the Sub-lease Agreement, as well as by wilful misconduct or negligence of Fair renew in executing the agreement in question and/or in its business activities, its collaborators or employees, including third-party companies to which Fair renew grants any assignment relating to the sub-lease, the PPA or the photovoltaic plant, and their respective collaborators and employees; (vi) Fair renew must verify compliance of the photovoltaic plant

with systems already installed in the areas sub-leased; (vii) on termination of the sub-lease, at its own expense, Fair renew arranges removal of the photovoltaic plant (unless agreed otherwise) and without prejudice to the fact that Fair renew accepts all liability for any damages deriving from such removal.

All expense deriving from the Sub-lease Agreement, incurred or to be incurred, voluntarily or as required by law, by each party to the agreement, will be the liability of that party. The registration and transcription fees for the Sub-lease Agreement are the liability of Fair renew and Fiera Milano, with responsibility for 50% each.

The Sub-lease Agreement is governed by Italian Law 392/1978, the Italian Civil Code and other applicable regulations. Fair renew, Fiera Milano and Ente Fiera have specifically excluded the application of articles 34, 36, 38, 39 and 40 of Italian Law 392/1978.

As the Fair renew investment plan requires availability of the areas on which the plants are to be installed for a period of at least 19 years, and therefore longer than the current duration of the Base Agreement, it was considered necessary to envisage a trilateral Sub-lease Agreement, with the participation of Ente Fiera, structuring the agreement to envisage takeover by Ente Fiera from Fiera Milano of all rights and obligations deriving from the Sub-lease Agreement and from the PPA, until such a time as a new tenant is identified for the properties covered by the Base Agreement that permanently takes over the (sub)-leasing relationship and signs an agreement to purchase the energy produced by the photovoltaic plant, if the Base Agreement should lapse or terminate prior to the end of the sub-lease. On signing the Sub-lease Agreement, Ente Fiera and Fair renew accepted that on termination for any reason of the Base Agreement, Fiera Milano will cease to be party to the Sub-lease Agreement and the PPA and will be released from all obligations, liability or charges in relation to those agreements, except in the case of any prior default.

Under separate arrangements, in addition to having confirmed its approval of the sub-lease and acknowledged and accepted that Fiera Milano and Fair renew have finalised the PPA, Ente Fiera has undertaken on behalf of Fiera Milano to: (i) carry out major non-routine maintenance works to upgrade and improve the roofs sub-leased and to accept sole liability for their routine and non-routine maintenance; (ii) at its own expense, arrange routine and non-routine maintenance, also as an exception to the provisions of the Base Agreement, only for areas affected by the presence of the photovoltaic plant and those where systems associated with the plant are installed, both of which subject to the Sub-lease Agreement. Under the same letter of commitment, Ente Fiera also: (i) recognised that the Sub-lease Agreement and the PPA are inseparably associated; (ii) that both have cancellation conditions based on the Base Agreement remaining in force and are covered by the scope of existing agreements between Ente Fiera and A2A Rinnovabili S.p.A., and these agreements are indispensable to construction of the photovoltaic plant in compliance with the 2019-2021 investment plan and the aforementioned agreements with A2A Rinnovabili S.p.A.

**(b) The Power Purchase Agreement and additional commitments of Ente Fiera.**

The Power Purchase Agreement between Fiera Milano (as acquirer) and Fair renew (as provider) was signed on 14th March 2019.

The construction, maintenance and operations (also through third parties) of the photovoltaic plant are the sole liability of Fair renew, as well as that of obtaining all authorisations, licences and every permit necessary to construct and operate the plant and for its connection to the national power grid.

The PPA mainly refers to the supply by Fair renew to Fiera Milano of energy produced by the photovoltaic plant, with instantaneous self-consumption by Fiera Milano. The PPA specifies the technical methods for this supply and for input of the excess energy produced into the national power grid. The PPA envisages that Fair renew does not guarantee the production of a specified amount of energy.

The duration of the Power Purchase Agreement is similar to that of the Sub-lease Agreement. The PPA therefore enters into effect from the date of signing, 14th March 2019, and remains valid until 30 June 2032, subject to renewal of the Sub-lease Agreement, in turn conditioned by renewal of the Base Agreement, at least until that date. Fiera Milano and Fair renew mutually agree that Fiera Milano can exercise its right to cancel the Basic Agreement in accordance with the terms envisaged therein. If the duration of the Base Agreement, and consequently the Sub-lease Agreement, should be extended to 30 June 2038, the duration of the PPA will be automatically considered extended until 30 June 2038, without prejudice to cases of cancellation or termination of effectiveness of that agreement and excluding additional renewal periods. The PPA does not envisage the right of withdrawal for Fair renew or Fiera Milano. Among the other conditions for termination, the PPA envisages cancellation in the event of failure to release, by the deadline of 12 months from the date of signing, unless extended, of authorisations necessary for the construction and operation of the photovoltaic plant. The PPA will lapse automatically on expiry, failure to renew, early termination or when effectiveness ceases, for any reason, of the Base Agreement and/or the Sub-lease Agreement (in the versions in force at the time).

The consideration for the supply of self-consumption energy payable by Fiera Milano is determined using the following formula:

$$\text{Energy sale price} = (\text{National Unit Price} + \text{Network charges} + \text{System charges}) * (1 - \% \text{Discount})$$

Where the National Unit Price refers to the monthly average published by the GME (Energy Market Operator).

In particular, National Single Price (PUN): is the average of Zonal Prices in the Day-Ahead Market, weighted for total purchases and net of purchases for Pumped-Storage Units and of purchases by Neighbouring Countries' Zones.

This formula requires that the variable charges, i.e. the system and network charges, are fixed and remain unchanged for the entire duration of the supply agreement. For the entire duration of the PPA, this price is considered random, fixed and cannot be changed, also as a specific exception to Article 1467 of the Italian Civil Code, and therefore Fiera Milano has waived the right to request a review, in any circumstances and for any reason, including exceptional or unforeseeable, for the entire duration of the agreement. The amount due to Fair renew will be invoiced monthly and paid within 30 days of the date of receipt of the related invoice. If the amounts are not paid by Fiera Milano by the aforementioned deadline, it will be required to pay default interest for every full day of delay, calculated pursuant to Italian Legislative Decree 231/2002. The excise duty on energy self-consumption will be paid by Fiera Milano. The PPA also envisages that failure to pay four invoices covering the aforementioned consideration will give Fair renew the right to cancel the Agreement, pursuant to article 1456 of the Italian Civil Code.

Other primary cancellation situations envisaged in the PPA are: (i) violation by Fair renew of the Code of Ethics and/or Organisational Model adopted by Fiera Milano pursuant to Italian Legislative Decree 231/2001 or, further, of the provisions of that decree by Fair renew or Fiera Milano; (ii) suspension of the power supply, when total, for more than six months and dependent upon default in accordance with law or the terms of the PPA, or due to wilful misconduct or gross negligence of Fair renew and not deriving from cases of force majeure beyond its control; (iii) termination of the PPA by Fiera Milano or Fair renew without the consent of the other party; (iv) unfairness of the representations and guarantees given by Fiera Milano and Fair renew under the terms of the PPA; (v) breach by Fiera Milano or Fair renew of specifically identified provisions of the PPA.

The PPA also summarily envisages that: (i) Fair renew is responsible for obtaining the authorisations and permits for construction and operation of the photovoltaic plant; (ii) its construction, subject to obtaining the aforementioned authorisations, and its routine and non-routine maintenance will be at the sole care and expense of Fair renew, which will therefore be

the full owner with sole liability (also to Fiera Milano and any third party, including Ente Fiera); (iii) Fair renew will independently undertake all procedures for connecting the photovoltaic plant to the national power grid; (iv) through specific agreements, Fair renew will assign the design, construction, commissioning and maintenance of the photovoltaic plant to third parties, and that this may be in multiple stages, though it remains in any event specifically understood that Fair renew will retain sole liability to Fiera Milano and any third party (including Ente Fiera) in relation to the activities of such third parties; (v) the energy produced by the photovoltaic plant but not immediately consumed by Fiera Milano will remain solely owned by Fair renew and will be input to the national power grid; (vi) meter readings to verify the supply of self-consumption energy by Fiera Milano and for the input of any excess to the national power grid will be performed monthly; (vii) Fiera Milano has the right to arrange inspections and controls on the photovoltaic plant meters; (viii) Fiera Milano will sign an agreement with another energy provider in order to guarantee correct operations of the photovoltaic plant; (ix) Fiera Milano grants irrevocable mandate without representation to Fair renew (or other entity identified by the parties) to carry out the activities identified in specific provisions of the PPA (including, for example, the installation of meters at the energy delivery points, the signing of agreements for the input of excess energy - over and above the self-consumption by Fiera Milano - to the national power grid, works carried out on the photovoltaic plant meters, etc.); (x) without prejudice to residual situations, Fair renew retains ownership of the photovoltaic plant also after expiry of the PPA; (xi) Fiera Milano maintains the photovoltaic plant and its components free from all encumbrance, claim or legal proceedings and, at its own reasonable expense, protects Fair renew in the removal of such restrictions and/or avoids their imposition (to the extent of Fiera Milano's responsibility under applicable legal or regulatory provisions, or dependent on conduct directly attributable to Fiera Milano); (xii) Fair renew exonerates and holds harmless Fiera Milano and/or third parties from any breach of the law, regulations or the PPA, and from any wilful misconduct or negligence by Fair renew in executing the PPA and/or its business activities, of its collaborators or employees, including any third-companies to which Fair renew grants any assignment relating to the photovoltaic plant and their respective employees and collaborators.

The PPA also envisages Fiera's guarantee to Fair renew: (a) to continue for the entire duration of the PPA to have full and free availability of the properties leased to it by Ente Fiera and to use them for the same production activities, consistent with the Efficient Utilities System requirements, as defined in Resolution 578/2013; (b) to own a high-voltage connection to the national power grid at the properties leased to it; (c) to have full and free availability of the premises where the photovoltaic plant meters will be located; (d) that the electricity bill of Fiera Milano, and likewise the bills of previous parties granted availability of the properties leased to Fiera Milano, have always been paid regularly; (e) to continue to hold the agreement with another provider per point (viii) above and to ensure it remains valid for the entire duration of the PPA and (f) that, if required, Fiera Milano and the provider will adopt the operating regulations necessary for operation of the photovoltaic plant.

The Power Purchase Agreement also establishes that: any incentive that could be requested or obtained during the term of the PPA in relation to the photovoltaic plant is owned solely by Fair renew; the PPA and related receivables cannot be transferred, for any reason or in any form, by one party without prior written consent from the other party; Fiera undertakes to (a) make available free of charge to Fair renew the internal power distribution network to allow correct delivery of the self-consumption energy and excess energy to the external point of delivery; (b) maintain the efficiency of the internal distribution network for the entire duration of the PPA and inform Fair renew of any maintenance works that could alter the normal operations of the photovoltaic plant; (c) immediately inform Fair renew if, Fiera Milano should notice or becomes aware that the photovoltaic plant is damaged or unsafe, or if the photovoltaic plant or any of its parts should be stolen; (d) no action will be taken that involves shutdown of the photovoltaic system or which puts at risk the sale of energy by Fair renew, except where such action is at the request of the competent authorities, imposed by applicable laws or regulations, is necessary for safety reasons, for reasons referred to in point b) above or derive from causes beyond the control of Fiera Milano; (e) no action will be taken which puts at risk or jeopardises the receipt of any incentives, except where such action is at the request of the competent authorities, imposed by applicable laws or regulations or derives from causes

beyond the control of Fiera Milano; (f) regularly pay the invoices relating to agreements with other energy providers.

All the fixed and variable costs to be paid for the supply of power withdrawn from the network and provided to Fiera Milano by a third-party provider under the terms of a specific supply agreement signed between them (including metering costs, network charges, the fixed portion of the “system charges”), and charged in the electricity bill or by other means, will be the sole liability of Fiera Milano.

Under separate arrangements, in addition to having confirmed its approval of the sub-lease and acknowledged and accepted that Fiera Milano and Fair renew have finalised the PPA, Ente Fiera has undertaken on behalf of Fiera Milano to: (i) pay Fiera Milano an amount equal to 50% of the benefits achieved by Ente Fiera as shareholder of Fair renew, assuming that in the future the latter will make use of state incentives, not foreseeable to date, associated with the production of photovoltaic energy; (ii) to reimburse Fiera Milano any higher cost it might incur with regard to the average annual market price to purchase energy from third-party providers, in each year of management of the photovoltaic plant, if the energy purchase price applied by Fair renew pursuant to the PPA should prove higher than the market average.

As illustrated above, the Transaction described in this Disclosure qualifies as a related-party transaction as Ente Fiera has a controlling interest in the Company, holding 63.82% of Fiera Milano share capital, and also holds a 40% interest in the share capital of Fair renew, with which a series of veto rights is associated.

## **2.2 Economic justification and convenience of the Transaction for Fiera Milano.**

The Company considers conclusion of the Transaction to be convenient in that, on the one hand, it has been able to sub-lease certain unused areas, at the same time freeing itself of routine and non-routine maintenance charges, of the roofs of properties, which are the parts most exposed to weathering, also benefiting from the commitment of Ente Fiera to undertake major maintenance, upgrading and improvement works on those roofs.

On the other hand, and the most significant aspect, on signing of the PPA the Company will have the opportunity to purchase renewable energy at a cost that cannot exceed the average market price, also due to the commitment of Ente Fiera to reimburse Fiera Milano for any higher cost that Fiera Milano might incur if the power purchase price applied by Fair renew under the terms of the PPA should prove higher than the average market price.

Based on the maximum capacity of the plant and on current consumption, it is estimated that the energy produced by the photovoltaic plant will represent around 21% of the annual energy needs of Fiera Milano. It follows that the Company would in any event purchase the remaining quantity necessary from the market.

According to the calculations performed by the Company based on the current energy cost and assuming that the photovoltaic plant will reach maximum capacity, the PPA would guarantee Fiera Milano a saving of Euro 282,000.00 per year compared to that paid at present to purchase “traditional” energy.

The Company also assessed the positive impact in terms of environmental sustainability. In fact, based on estimates prepared by Fair renew, construction of the photovoltaic plant will allow Fiera Milano to save 3,230 TOE (tonnes of oil equivalent).

It should also be taken into account that the entire cost of construction of the photovoltaic plant will be the sole liability of Fair renew, and therefore with no liability or risk for Fiera Milano.

It is envisaged that the photovoltaic plant, the construction of which - and likewise the validity of the PPA - is subject to the necessary authorisations and concessions, will be completed in



2020. It is only from this date, therefore, that Fiera Milano will begin to purchase energy from Fair renew.

### **2.3 Pricing methods.**

The sub-lease payment was agreed as 2,180 Euro/MWp (two thousand one hundred and eighty/00) per year, for a total of Euro 17,876.44 (seventeen thousand eight hundred and seventy-six/44), as the photovoltaic plant has a nominal capacity of around 8.200 MWp. The lease payment will be updated annually, at the request of Fiera Milano, by 75% of the change in the consumer price index, confirmed by ISTAT, in the preceding 12 months.

The energy purchase price under the terms of the PPA is determined using the following formula:

$$\text{Energy sale price} = (\text{National Unit Price} + \text{Network charges} + \text{System charges}) * (1 - \% \text{Discount})$$

Where the National Unit Price refers to the monthly average published by the GME (Energy Market Operator).

The Company considers that the price resulting from the above formula will be in line with, if not lower than, the market price, due to the fact that the variable charges are predefined and considered fair and because the formula envisages a significant discount on the national unit price, and in any event because of the protection offered by the commitment of Ente Fiera to reimburse Fiera Milano for any difference between the average market price and the price applied by Fair renew.

### **2.4 Economic, equity and financial effects of the Transaction**

From an economic and financial point of view, the Transaction is expected to generate an economic and financial benefit primarily from the reduced energy costs.

As regards the Sub-lease Agreement, there are no specific equity-related effects to report.

### **2.5 Impact on the remuneration of directors of the Company or its subsidiaries as a result of the Transaction.**

The Transaction described in this Disclosure will have no effect on the remuneration of members of the Board of Directors of Fiera Milano and/or of its subsidiaries.

### **2.6 Financial instruments of Fiera Milano held by directors, statutory auditors and general managers of the Company if these are the related parties.**

The Transaction does not involve members of the Board of Directors, Board of Statutory Auditors, General Managers or Executives of the Company as related parties.

### **2.7 Bodies or directors conducting or participating in the negotiations.**

Note that negotiations in relation to the Transaction were conducted by the Chief Executive Officer, Fabrizio Curci, who kept the Board of Directors and Control and Risk Management Committee constantly updated.

The Transaction was approved by the Control and Risk Management Committee, which expressed its opinion in favour by resolution adopted on 7 March 2019.

The Transaction was given final approval by the Company's Board of Directors on 12 March 2019. The decision was adopted with unanimous vote in favour by the Directors.

The following documents are attached:

A. Opinion of the Control and Risk Management Committee of Fiera Milano S.p.A.

Rho (Milan), 21st March, 2019

On behalf of the Board of Directors

Fabrizio Curci (signed on the original)

(Chief Executive Officer)

A handwritten signature in black ink, appearing to read 'Fabrizio Curci', written in a cursive style.

## ANNEX A

OPINION OF THE CONTROL AND RISK MANAGEMENT COMMITTEE OF FIERA MILANO SPA, PURSUANT TO ART. 9.1 LETTER D) OF THE PROCEDURE ON RELATED-PARTY TRANSACTIONS, ON THE SIGNATURE OF A PROPERTY SUB-LEASE AGREEMENT RELATING TO THE ROOFTOPS OF THE RHO-PERO EXHIBITION SITE FOR THE INSTALLATION OF A PHOTOVOLTAIC PLANT AND THE RELATED AGREEMENT FOR THE PURCHASE OF THE RENEWABLE ENERGY FROM FAIR RENEW S.R.L.. 40% OF WHICH IS HELD BY ENTE AUTONOMO FIERA INTERNAZIONALE DI MILANO

### 1. Recitals

The Control and Risk Management Committee of Fiera Milano S.p.A. (hereinafter "**Fiera Milano**" or the "**Company**") has been asked to evaluate the formal and substantial correctness of the transaction entailing the signature by Fiera Milano with Fair renew S.r.l. (hereinafter "**Fair renew**") and with Fondazione Ente Autonomo Fiera Internazionale di Milano ("**Ente Fiera**") of a property sub-lease agreement relating to the rooftops of specific areas of the Rho - Pero (Milan) exhibition site (hereinafter the "**Sub-lease Agreement**") for the construction and installation by Fair renew of a photovoltaic plant in accordance with the SEU scheme (Efficient Utilities System), namely a system that produces and consumes electricity that directly connects the producer and the final consumer (hereinafter the "**Photovoltaic Plant**"), and of an agreement with Fair Renew to purchase the electrical power (hereinafter the "**Power Purchase Agreement**" or the "**PPA**") (overall, the "**Transaction**").

The Transaction entails a related-party transaction insofar as Ente Fiera, which controls Fiera Milano, has a 40% interest in the capital of Fair renew, to which a series of veto rights is associated.

As the economic conditions of the Transaction still depend on dimensions that are not known (the quantity of power that will be purchased with the PPA cannot today be calculated with any certainty; in addition, the duration of the Sub-lease Agreement and of the PPA are subject to possible renewal), the Company used the maximum quantities and durations as reference and therefore the Transaction is classified as a Transaction of Greater Importance pursuant to Annex 3 of the Regulations on Related-Party Transactions and Annex A of the Procedure on Related-Party Transactions of Fiera Milano.

Firstly, it is important to remember that Fiera Milano benefits from the exemption granted to smaller-sized listed companies and therefore only the controls envisaged by the Procedure on Related-Party Transactions for Transactions of Lesser Importance apply.

### 2. The Transaction

Before examining and evaluating the expediency of the economic terms of the new lease agreements and whether the Transaction is in the interests of Fiera Milano, we would like to briefly summarise the terms of the Transaction in question.

The agreements that are important in the case in hand are: (a) the Sub-lease Agreement, regarding some rooftops of the properties of the Rho-Pero exhibition site, with a view to constructing and running the Photovoltaic Plant and (b) the Power Purchase Agreement. In addition to these agreements, there are certain unilateral commitments made by Ente Fiera to Fiera Milano, both with regard to the Sub-lease Agreement and to the PPA.

The Control and Risk Management Committee has been promptly updated as to the progress of negotiations and has received copies of the various drafts of the above-mentioned documents sufficiently in advance.

The Sub-lease Agreement and the PPA are part of a wider project launched by Ente Fiera regarding the construction and management of four photovoltaic plants to be placed on the rooftops of the exhibition halls of Fiera di Milano and in other adjacent areas, with a view to becoming self-sufficient in terms of the power requirements of the Rho exhibition site managed by Fiera Milano and of the power consumers in the same area, under the SEU scheme (Efficient Utilities System), such as Fiera Parking S.p.A., Wind Tre S.p.A. and NH Italia S.p.A., through the power generated by the systems. The Sub-lease Agreement is connected, in terms of negotiations and originates from the lease agreement in place between Fiera Milano and Ente Fiera regarding the properties that make up the Rho-Però exhibition site (hereinafter, the "Base Agreement"). The Sub-lease Agreement is also connected, in terms of negotiations, to the PPA.

The Sub-lease Agreement will be valid until 30 June 2032, subject to the renewal of the Base Agreement at least until said date. The Sub-lease Agreement also envisages a tacit renewal for a further six years, until 30 June 2038, if the term of the Base Agreement is extended at least until 30 June 2038, without prejudice to the options of termination or if the effectiveness of said agreement ceases.

The sub-lease payment has been agreed as Euro 2,180 Euro/MWp (two thousand, one hundred and eighty/00) per year for a total of Euro 17,876.44 (seventeen thousand, eight hundred and seventy-six/44), as the Photovoltaic Plant has a nominal capacity of around 8.2 MWp. The fee will be updated annually, on the request of Fiera Milano, by 75% of the variation of the price consumer index for households of blue and white collar workers, established by ISTAT in the previous 12 months.

With separate agreements, as well as having authorised the subleasing and having acknowledged and confirmed that Fiera Milano and Fair Renew have signed the PPA, Ente Fiera committed to Fiera Milano that it would: (i) conduct significant extraordinary maintenance to adapt and improve the rooftops being subleased and to be solely responsible for the ordinary and extraordinary maintenance of the same; and (ii) to organise and conduct ordinary and extraordinary maintenance at its own expense, also departing from the provisions of the Base Agreement, only of the areas where the Photovoltaic Plant is present and those in which systems connected to the system in question, both covered by the Sub-lease Agreement.

The PPA envisages that Fair renew is responsible for the construction, maintenance and operation (also through third parties) of the Photovoltaic Plant, as well as obtaining all of the authorisations, licences and any other permit needed for the construction and operation of the same and for its connection to the power grid.

The main purpose of the PPA is for Fair renew to provide Fiera Milano with the power generated by the Photovoltaic Plant and instantaneously self-consumed by Fiera Milano itself. The PPA specifies the technical procedures for said provision and the injection of the remaining power produced in excess into the electric power grid. The PPA envisages that Fair renew does not guarantee the production of a specific quantity of energy.

The duration of the Power Purchase Agreement is the same as that of the Sub-lease Agreement. The fee for the provision of the power self-consumed by Fiera Milano is calculated on the basis of the following formula:

$$\text{Energy sale price} = \frac{(\text{National Unit Price} + \text{Network charges} + \text{System charges})}{*(1-\%Discount)}$$

Where the National Unit Price refers to the monthly average published on the GME - Gestore del Mercato Elettrico (Energy Market Operator). This formula envisages that the variable charges, namely the system charges and the network charges, are fixed and do not change for the entire duration of the service agreement.

With separate agreements, as well as having authorised the subleasing and having acknowledged and confirmed that Fiera Milano and Fair renew have signed the PPA, Ente Fiera committed to Fiera Milano that it would: (i) pay Fiera Milano an amount corresponding to 50% of the advantages that Ente Fiera will obtain as a partner of Fair

renew, in the event that in the future the latter should benefit from government incentives, which are currently not envisaged, linked to the production of photovoltaic power, which is reflected in higher financial statement profits of the associated company Fair renew; (ii) repay Fiera Milano any higher cost that the same may incur with respect to the average annual market price to purchase power from third-party providers, in each year of operation of the Photovoltaic Plant, if the power purchase price applied by Fair renew under the PPA is higher than the average market price.

Based on the calculations made by the internal offices of the Company based on the current cost of the power and assuming that the Photovoltaic Plant reaches its maximum capacity, the PPA guarantees Fiera Milano a saving of around Euro 282,000.00 per year with respect to that paid at present to purchase "traditional" power.

In any event, both in consideration of the fact that the clause envisages a discount on the Energy Unit Price, both in the light of Ente Fiera's commitment to repay Fiera Milano any additional cost that the Company should incur if the purchase price of the power applied by Fair renew under the PPA is higher than the average market price, it is clear that by signing the PPA, the Company will have the opportunity to purchase renewable energy at a cost that cannot be higher than the average market price.

The Company's interest in subleasing the rooftop areas of the exhibition sites, releasing itself from the maintenance charges, including ordinary maintenance, which are specifically the parts most exposed to atmospheric agents, also benefitting from Ente Fiera's commitment to conduct significant maintenance, adaptation and improvement work to the same rooftops should also be assessed. Lastly, it should be noted that Fair renew is solely responsible for the entire cost for the construction of the Photovoltaic Plant, without therefore any charge or risk for Fiera Milano.

### 3. Conclusions

Based on all of the above observations, the Control and Risk Management Committee approves the performance of the transactions at the above-indicated conditions.

Milan, 7 March 2019

The Control and Risk Management Committee

Stefania Chiaruttini – Chairperson  


