2025

Report on **Corporate Governance** and **Ownership Structures**

TERNA S.P.A.

TRADITIONAL MANAGEMENT AND CONTROL MODEL

Terna
Driving Energy

Report on Corporate Governance and Ownership Structures Terna S.p.A.

Traditional management and control model

Issuer: «Terna - Rete Elettrica Nazionale Società per Azioni»
(in abbreviated form Terna S.p.A.)

Website: www.terna.it

Annual reporting period to which the Report refers: 2025

Date of approval of the Report: 26 March 2026

MISSION

Terna is investing in Italy's development

We guarantee energy security and balance electricity supply and demand 24 hours a day, ensuring that the system is reliable, efficient and accessible to all.

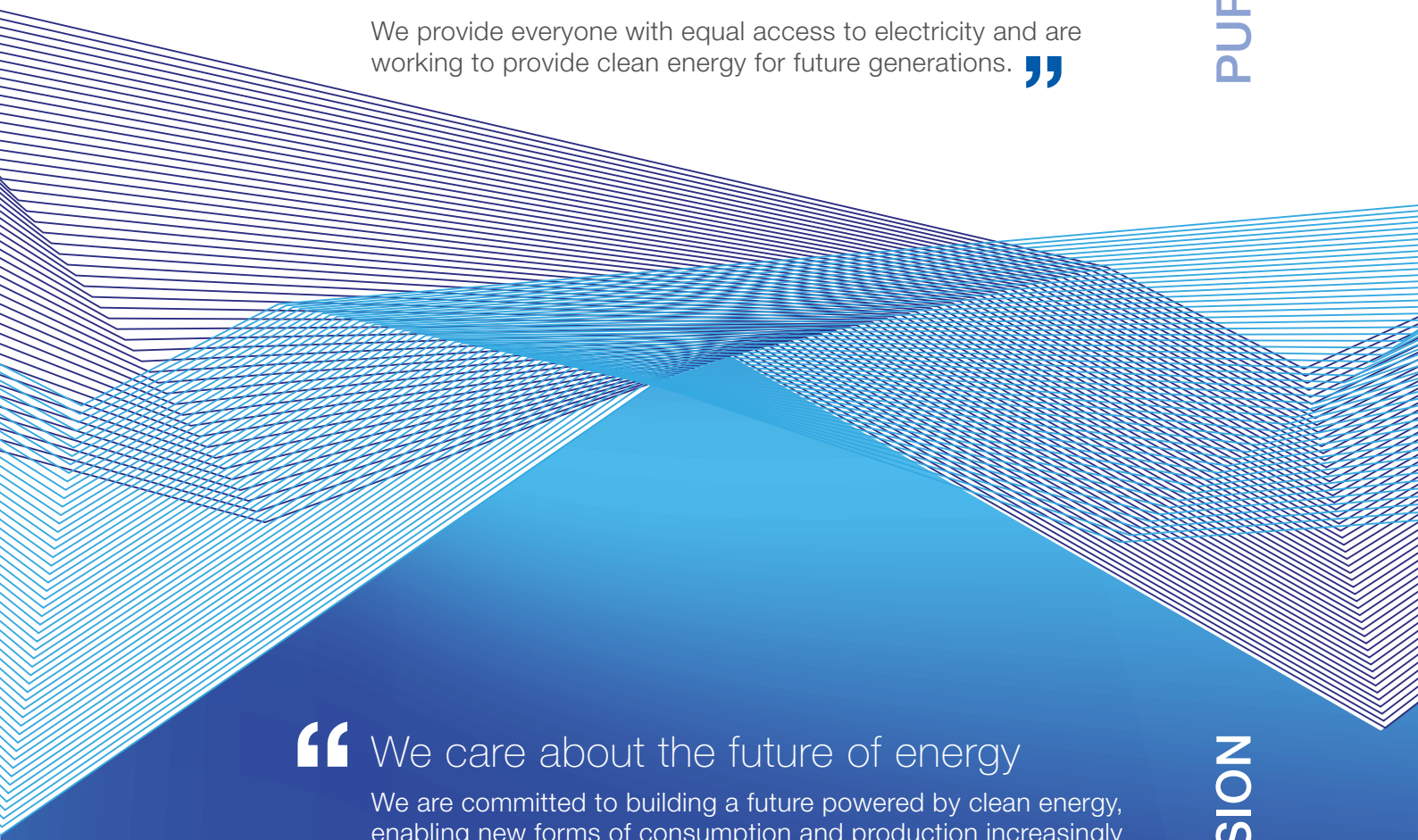
We invest and innovate every day in the development of an electricity grid capable of integrating the energy produced from renewable sources, improving links between the different areas of the country and strengthening cross-border interconnections, applying a sustainable approach that takes into account the needs of the communities and people we work with.

PURPOSE

We are behind the energy you use every day

We are responsible for guaranteeing the continuity of power supply, essential in making sure that electricity reaches Italian homes and businesses at all times.

We provide everyone with equal access to electricity and are working to provide clean energy for future generations.



VISION

We care about the future of energy

We are committed to building a future powered by clean energy, enabling new forms of consumption and production increasingly based on renewable sources. This will allow us to achieve the goal of delivering an energy transition that is fair and inclusive, whilst also lowering costs.

Thanks to our overall vision of the electricity system and new digital technologies, we are leading the country's drive to get to net zero by 2050, in line with European climate goals.

Executive Summary

Executive Summary

Structure and composition of corporate bodies

Board of Directors in office

IGOR DE BIASIO
Chair

Non-Executive
Independent

GIUSEPPINA DI FOGGIA
Chief executive officer

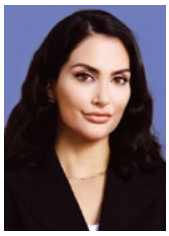
Executive
Non-Independent

STEFANO CAPPIELLO
Director

Non-Executive
Independent

REGINA CORRADINI D'ARIENZO
Director

Non-Executive
Non-Independent



ANGELICA KRYSTLE DONATI
Director

Non-Executive
Independent

MARCO GIORGINO
Director

Non-Executive
Independent

QINJING SHEN
Director

Non-Executive
Non-Independent

PAOLO DAMILANO
Director

Non-Executive
Independent

GIAN LUCA GREGORI
Director

Non-Executive
Independent

SIMONA SIGNORACCI
Director

Non-Executive
Independent

KARINA AUDREY LITVACK
Director

Non-Executive
Independent

ANNA CHIARA SVELTO
Director

Non-Executive
Independent

JEAN-MICHEL AUBERTIN
Director

Non-Executive
Independent

Audit and Risk Committee

NAME	ROLE	INDEPENDENT
Marco Giorgino	Chair	●
Jean-Michel Aubertin	Member	●
Paolo Damilano	Member	●
Karina Audrey Litvack	Member	●
Stefano Cappiello	Member	●

Remuneration and Nominations Committee

NAME	ROLE	INDEPENDENT
Gian Luca Gregori	Chair	●
Karina Audrey Litvack	Member	●
Paolo Damilano	Member	●
Simona Signoracci	Member	●
Regina Corradini D'Arienzo	Member	

Related-Party Transactions Committee

NAME	ROLE	INDEPENDENT
Anna Chiara Svelto	Chair	●
Angelica Krystle Donati	Member	●
Marco Giorgino	Member	●
Gian Luca Gregori	Member	●
Simona Signoracci	Member	●

Sustainability, Governance and Scenarios Committee

NAME	ROLE	INDEPENDENT
Igor De Biasio	Chair	●
Jean-Michel Aubertin	Member	●
Anna Chiara Svelto	Member	●
Simona Signoracci	Member	●
Qinjing Shen	Member	

Board of Statutory Auditors in office

MARIO MATTEO BUSSO
Chair

LORENZO POZZA
Standing Auditor

ANTONELLA TOMEI
Standing Auditor

NAME	ROLE
Lucrezia Iuliano	Alternate Auditor
Antonello Lillo	Alternate Auditor
Barbara Zanardi	Alternate Auditor

Terna's shareholders

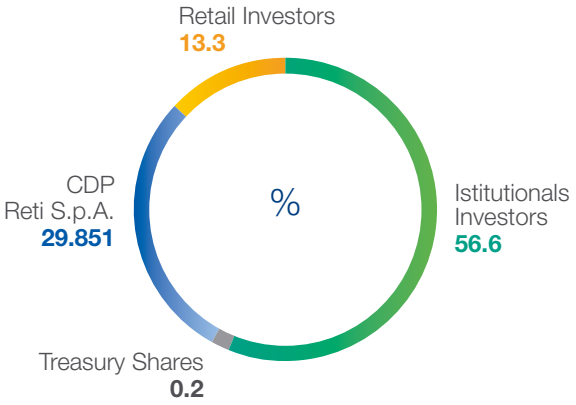
At the date of approval of this report, the **share capital of Terna S.p.A. (Terna or Company) amounts to €442,198,240** comprising 2,009,992,000 fully paid-up ordinary shares with a par value of €0.22 each.

Based on periodic surveys carried out by the Company, it is estimated that 46.8% of Terna's shares are held by Italian shareholders, with the remaining 53.2% held by overseas institutional investors, primarily from the USA and Europe (excluding the UK).

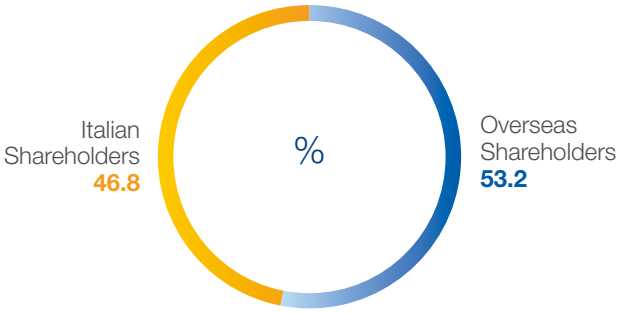
The **largest shareholder is CDP Reti S.p.A.** (CDP Reti), a joint-stock company controlled by Cassa Depositi e Prestiti S.p.A. (CDP).
On 27 November 2014, a shareholders' agreement was entered into by Cassa Depositi e Prestiti S.p.A. (CDP), on the one hand, and State Grid Europe Limited (SGEL) and State Grid International Development Limited (SGID), on the other, in relation to CDP Reti, SNAM S.p.A. and Terna. This was amended and supplemented to extend the scope of the agreement to include Italgas S.p.A.
Following the transfer to CDP Reti of CDP's remaining interests in SNAM S.p.A. and Italgas S.p.A., essential information in the shareholders' agreement was most recently updated on 23 May 2017 and is available on Terna's website.

Based on information from the shareholder register and other data collected as at 31 December 2025, Terna's shareholder structure breaks down as follows.

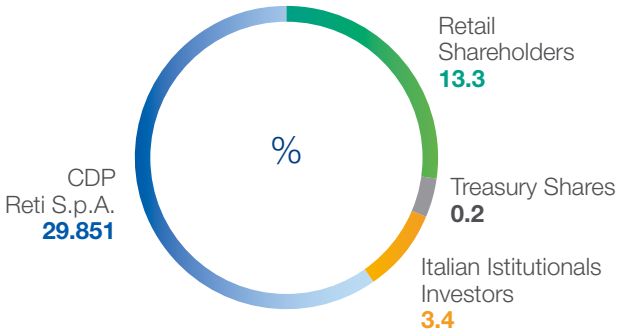
Shareholders by category



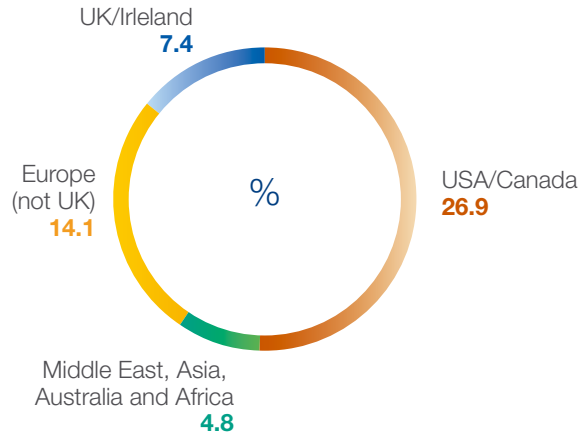
Shareholders by geographical area and category



Italian shareholders by geographical area and category

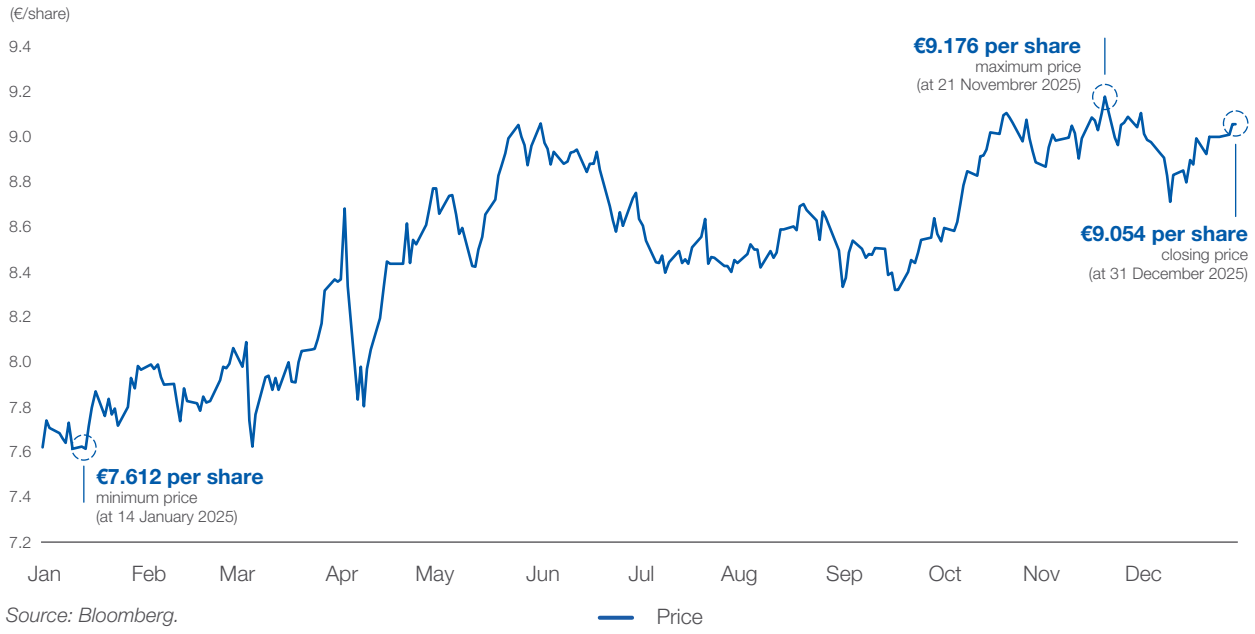


Overseas shareholders by geographical area and category



Performance of Terna's shares

Performance of Terna's shares
(price trend from 1 January to 31 December 2025)



Source: Bloomberg.

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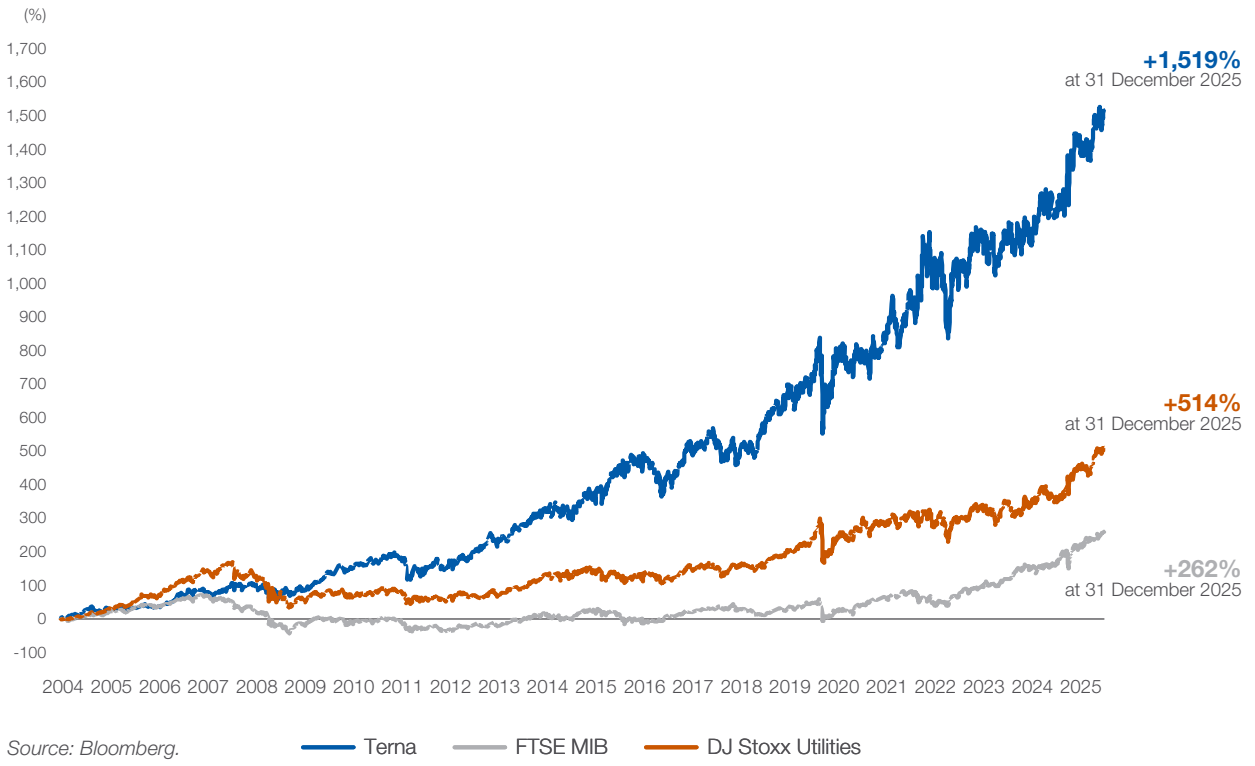
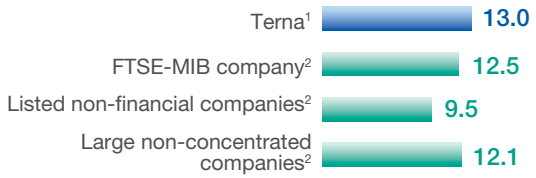
Total Shareholder Return on Terna's shares and the FTSE MIB and DJ Stoxx Utilities
(from the flotation to the end of 31 December 2025)



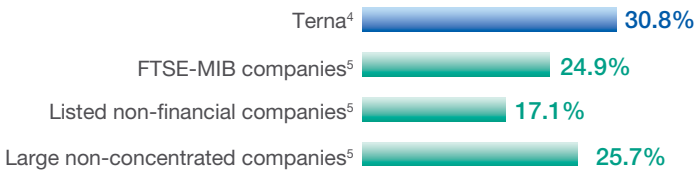
Source: Bloomberg.

Terna Board of Directors

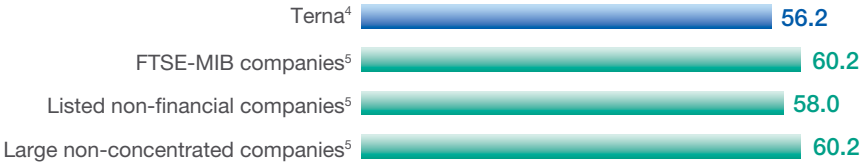
Number of Board members



Minority representation on the Board of Directors[3]

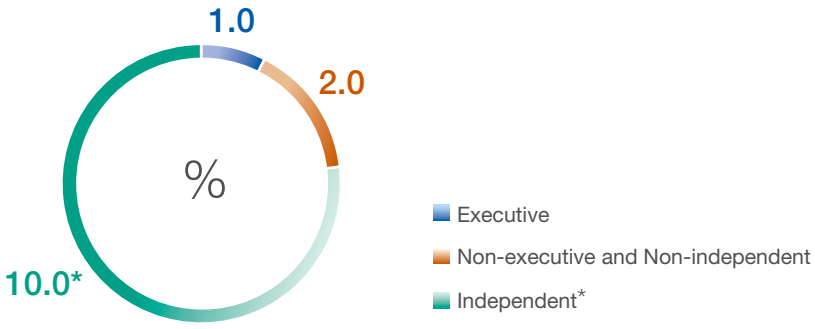


Average age of Directors



Presence of independent directors

Breakdown of Board of Directors composition (number of members and qualifications)[6]

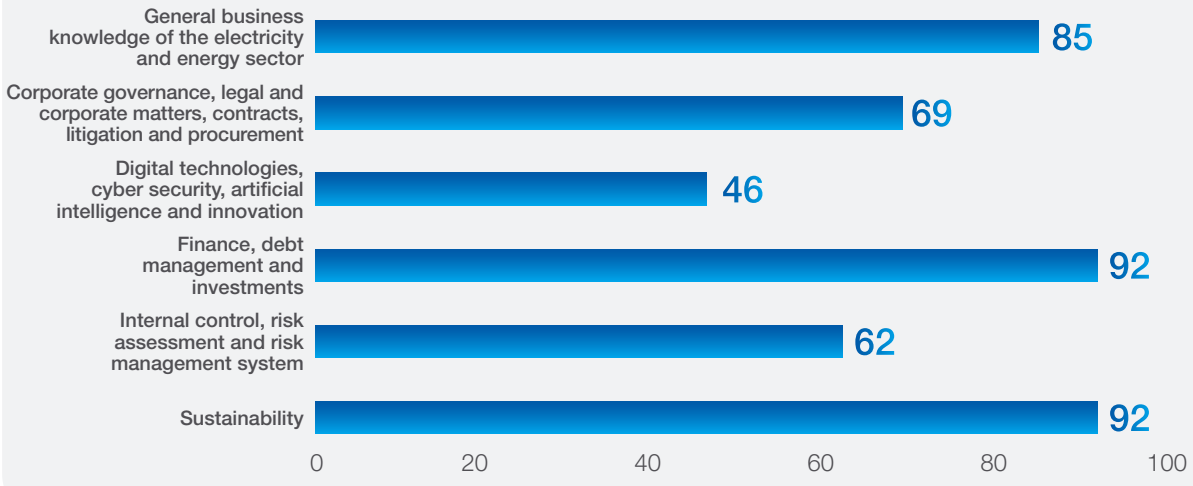


** Independent pursuant to both the CLF and the Corporate Governance Code.*

[1] The data refers to the existing situation at 31 December 2025.
[2] The data is taken from "The Fin-Gov Report on Corporate Governance in Italy" (Fifth Edition, November 2025) by Massimo Belcredi and Stefano Bozzi.
[3] It should be noted that "minority" refers to Directors taken from the slate presented by a group of shareholders consisting of asset management companies and other institutional investors (holding, as at 9 May 2023, a total of 30,264,515 shares and comprising 1.50570% of Terna's share capital). At the Annual General Meeting held on 9 May 2023, this slate received the largest number of votes, amounting to 53.641545% of the share capital.
[4] See note 1.
[5] See note 2.
[6] See note 1.

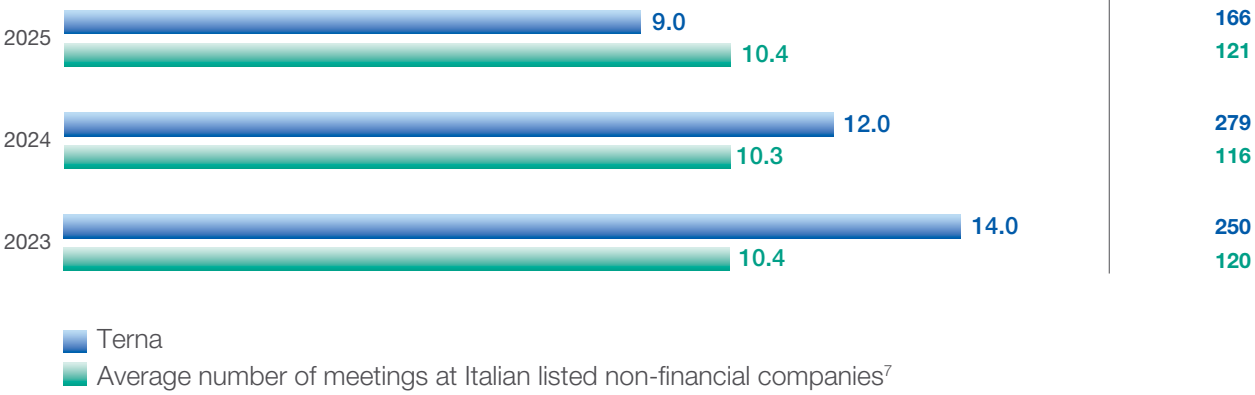
Board of Directors' competencies

KNOWLEDGE AND SKILLS OF THE BOARD OF DIRECTORS AS DECLARED BY DIRECTORS (%)



Board of Directors' activities

BOARD OF DIRECTORS - NUMBER OF MEETINGS



	Average duration (min.)
2025 Terna	166
2025 Average number of meetings at Italian listed non-financial companies	121
2024 Terna	279
2024 Average number of meetings at Italian listed non-financial companies	116
2023 Terna	250
2023 Average number of meetings at Italian listed non-financial companies	120

[7] The data in this section - with reference to the average number of meetings of Italian listed non-financial companies - relate to the financial years 2023, 2024 and 2025 and have been taken from the "Fin-Gov Report on Corporate Governance in Italy" (Fifth Edition, November 2025) by Massimo Belcredi and Stefano Bozzi.

Remuneration and Nominations Committee and Sustainability, Governance and Scenarios Committee

REMUNERATION AND NOMINATIONS COMMITTEE - NUMBER OF MEETINGS

[8] The 2025 data represent the average of the data relating to the Remuneration Committee (i.e., 5.4 meetings lasting on average 69 minutes) and to the Nominations Committee (i.e., 4.1 meetings lasting on average 53 minutes), taken from the "Fin-Gov Report on Corporate Governance in Italy" (Fifth Edition, November 2025) by Massimo Belcredi and Stefano Bozzi.

[9] The data in this section - with reference to the average number of meetings of Italian listed non-financial companies - relate to the financial years 2023, 2024 and 2025 and have been taken from the "Fin-Gov Report on Corporate Governance in Italy" (Fifth Edition, November 2025) by Massimo Belcredi and Stefano Bozzi.

SUSTAINABILITY, GOVERNANCE AND SCENARIOS COMMITTEE - NUMBER OF MEETING

** Please note that, in 2025, the Sustainability, Governance and Scenarios Committee met once, jointly with the Audit and Risk Committee, as described in detail in Sections VII and X of this Report.*

[10] The data in this section - with reference to the average number of meetings of Italian listed non-financial companies - relate to the financial years 2023, 2024 and 2025 and have been taken from the "Fin-Gov Report on Corporate Governance in Italy" (Fifth Edition, November 2025) by Massimo Belcredi and Stefano Bozzi.

Sustainable success in the Corporate Governance Code

"Sustainable success" is the objective that guides the Board of Directors' actions and takes shape **in the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the company.**

ART. 1
ROLE OF THE BOARD OF DIRECTORS

The Board **leads** the Company by pursuing its **sustainable success**

ART. 3
FUNCTIONING OF THE BOARD OF DIRECTORS AND ROLE OF THE CHAIR

The Chair also promotes induction activities **with a view** to **achieving the Company's sustainable success**

ART. 5
REMUNERATION

The remuneration policy is key to the pursuit of the Company's **sustainable success**

ART. 6
INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control and risk management system is made up of the set of rules, procedures and organisational structures designed to effectively and efficiently identify, measure, manage and monitor the main risks, **to contribute to the Company's sustainable success**

Other aspects of the Board of Directors' activities

Adaptation to the Corporate Governance Code

In January 2020, the Corporate Governance Committee made significant changes to the Corporate Governance Code, (hereinafter, for brevity, also the "Code"), applicable from annual reporting periods after 31 December 2020.

Terna formally adopted the new Code at the Board of Directors' meeting of 27 January 2021.

Engagement Policy

One of the most significant innovations in the Corporate Governance Code is the recommendation to the Board of Directors to promote, in the most appropriate forms, **dialogue with the Company's shareholders and other key stakeholders** with a view to raising the level of transparency and fostering the creation of long-term value.

In implementation of this recommendation, as of 14 October 2021, the Company's Board of Directors adopted the **"Policy for engagement with the generality of shareholders and other stakeholders of Terna S.p.A."**.

Since 2015, the Company has also adopted the "Stakeholder Management Model" Guideline, last updated in 2023, in order to define the process of mapping and monitoring the Group's stakeholders, addressing their concerns and expectations regarding sustainability issues

Independence criteria

Since 2007, the Company has had a specific internal procedure that defines the **criteria for assessing the independence** of its non-executive members and for ascertaining the requirements of the Articles of Association and the Corporate Governance Code then in force.

In implementation of the Corporate Governance Code, in 2022 the Company has updated the **"Application criteria and procedure for assessing the independence, pursuant to art. 2 of the Corporate Governance Code"**. The document identifies the prerequisites, objectives and conditions that may compromise independence; it devotes an article to the figure of the Chair of the Board of Directors, if qualified as independent, and an article to the Board of Statutory Auditors, due to the extension of the independence criteria also to the members of the oversight body. The methods for assessing independence and the relevant assessment procedure are also described. An ad hoc article is dedicated to the meetings of directors who qualify as independent.

The heart of the procedure is the description of the criteria adopted by the Company to assess the **parameter of "significance"** (pursuant to Recommendation 7, lett. c) and d) of the Code), the recurrence of which, in the presence of commercial, financial or professional relationships, as well as additional remuneration, may compromise the independence of the directors or statutory auditors involved in such situations.

On 26 February 2026, the Board of Directors, with the support of the Sustainability, Governance and Scenarios Committee, resolved not to make any substantial changes to the document.

Board Committees and Terms of reference

On 9 May 2023 - following the re-election of the Board of Directors by the Annual General Meeting of the Company's shareholders held on the same date - the Board of Directors reassigned various tasks relating to the Board Committees, maintaining the topic of sustainability within the Audit and Risk Committee, in continuity with the term of office of the previous Board, and entrusting corporate governance matters to the Nominations Committee, which was also assigned tasks relating to strategic scenarios.

Until 23 October 2024, the Board of Directors had the following Board Committees, all of which conducted reviews, made recommendations and provided advice, in order to ensure effective performance of the Board's functions:

- Remuneration Committee;
- Audit, Risk and Sustainability Committee;
- Nominations, Governance and Scenarios Committee;
- Related-Party Transactions Committee.

As of 23 October 2024, in order to strengthen the control over sustainability topics and to ensure its integration with governance issues and the long-term strategy in line with legislative developments and national and international market best practices, the Board of Directors resolved to change the composition of Committees as follows:

- Sustainability, Governance and Scenarios Committee;
- Audit and Risk Committee;
- Remuneration and Nominations Committee;
- Related-Party Transactions Committee.

All Committees have 5 members.

The good governance of Terna's Board Committees is outlined in specific "**Terms of reference**" that govern their operations, composition, tasks and responsibilities. The Terms of Reference have been revised over time, first to bring them into line with the Corporate Governance Code and then to reflect subsequent changes in the allocation of responsibilities. On 21 January 2025, the Board of Directors approved the latest revision of the Terms of reference following the organisational changes of 23 October 2024.

It should also be noted that on 13 December 2023 the Board of Directors had made the following changes to the Terms of reference for Board Committees: (i) the minimum attendance requirement for committee meetings had been raised from 75% to 80% - as defined in the "Guidance to shareholders on the size and composition of the new Board of Directors", and in the Company's rules on concurrent offices, and (ii) measures to facilitate the conduct of meetings, establishing that meetings are considered to be held in the place where the Chair of the Committee is located and that, in addition, the Chair and Secretary may be in separate places. Remote connection is still possible in all cases.

Related Party Transactions procedures

In December 2020, the Company had already updated its **procedures for Related Party Transactions** (the "Related-Party Transactions Procedure"), due to the changes in the organisational structure as well as the entry into force of Italian Legislative Decree 49/2019, which introduced, among other things, specific administrative sanctions on the matter. The Company had also adopted a second-level procedure aimed at regulating the application profiles regarding Transactions with Related Parties in order to: (i) allow for a more rapid detection and identification of transactions with related parties; (ii) raise the awareness of corporate departments, also in view of the tightening of the sanctions regime.

Although the Company already had a very strict procedural package outlining roles and responsibilities in the process of identifying transactions to be carried out with related parties, during the first half of 2021, **the procedures were further revised** to take into account the changes introduced to Consob Regulation 17221 on related party transactions, which came into force on 1 July 2021, and the new definition of a related party, which is in line with the applicable international accounting standards. Constant maintenance of the procedures is also envisaged, in order to simplify them and, at the same time, make their application more efficient.

Board Review

In keeping with the past and in compliance with the Corporate Governance Code, Terna's Board of Directors, with the support of the relevant Committees, carries out an annual **self-assessment of the size, composition and actual functioning of the Board** and of Board Committees, in relation to the activities performed since their election, also referred to as a Board Review.

On 24 January 2024, after obtaining the approval of the then Nominations, Governance and Scenarios Committee, the Board of Directors appointed the independent firm Russell Reynolds Associates to provide specialist consultancy services in relation to performance of the self-assessment of the Company's Board of Directors, Board Committees and Board of Statutory Auditors.

Gender diversity

With regard to ESRS[11] 2 - paragraph 21, in addition to what is described below, see the Annual Report with reference to what is reported under ESRS 2 GOV-1 paragraph 21(a) to (e) and paragraph 23(a) and (b).

The Corporate Governance Code highlights the issue of gender balance, recommending in particular that companies adopt **measures to promote equal treatment and opportunities** within the entire company organisation, monitoring their concrete implementation (Art. 2, Recommendation 8). In addition to the provisions of Terna S.p.A.'s Diversity Policy for its administrative and supervisory bodies, in 2021, the Company adopted ad hoc guidelines called the **"Diversity & Inclusion Policy"** with the aim of formalising Terna's commitment to enhancing and protecting diversity, as well as to preventing and sanctioning any discrimination and harassment based on gender, age, sexual orientation, nationality, disability, political opinions, religious belief and any other personal characteristic. At a Board meeting held on **24 January 2024**, with the prior approval of the Nominations, Governance and Scenarios Committee granted on 16 January 2024, the Company updated the document, which is now called the Diversity, Equity and Inclusion Policy, to further **strengthen** its **commitment** to the principles contained therein. By virtue of this Policy, on 1 March 2024, Terna S.p.A. also obtained UNI/PdR 125:2022 certification for the Company's Gender Equality Management System.

[11] "European Sustainability Reporting Standards - ESRS": sustainability reporting standards as defined in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023.

A specific Gender Equality Steering Committee has also been set up to ensure that the Terna Group adopts and continuously implements its gender equality policy, backed up by a specific action plan (referred to as the "Strategic Gender Equality Plan") that identifies scheduled targets and KPIs, including related allocation of responsibilities and ownership.

Diversity Policy

With regard to ESRS 2 - paragraph 21, in addition to what is described below, see the Annual Report with reference to what is reported under ESRS 2 GOV-1 paragraph 21 (a) to (e) and paragraph 23 (a) and (b).

Terna adopted its "**Diversity Policy for Terna S.p.A.'s management and control bodies**" in 2018. This provides non-binding recommendations regarding aspects such as the age, gender, geographical origin and professional and management training of the members of Terna's Board of Directors and Board of Statutory Auditors.

The aim of the Policy is, therefore, to ensure that the qualitative and quantitative composition of the Board of Directors is such as to enable Directors to **effectively carry out the duties and responsibilities assigned to the management body**.

The Policy is aimed at:

(i) shareholders who, pursuant to the law and the Articles of Association, wish to submit slates of candidates for election to the Board of Directors;

(ii) the annual general meeting of shareholders called to elect the Board of Directors;

(iii) the Company's outgoing Board of Directors for the purposes of drawing up guidance for shareholders and in the event that - when re-electing the Board of Directors - it should wish to submit its own slate of candidates;

(iv) the Company's Board of Directors, as well as its shareholders, in the event that – during their term of office – a member of the Board of Directors has to be replaced pursuant to art. 2386 of the Italian Civil Code;

(v) the Company's Board of Statutory Auditors.

The key elements of the Policy include, with regard to the size of the Board of Directors, the recommendation that the number of members should be such as to **provide an adequate balance of expertise and experience** in relation to the complexity of the Company and the Group. This should also apply to Board Committees. However, it was decided not to indicate a specific number, bearing in mind that the Articles of Association state that the number of Board members must be between seven and thirteen.

In large companies, **independent directors** should make up **at least half** of the Board of Directors in line with the Corporate Governance Code.

The sectors in which directors are required to possess professional or managerial skills are also indicated.
In terms of gender, in the 2023 revision, the quota for the least represented gender was raised to two-fifths of the Board of Directors, in line with the legislation in force and the Articles of Association.

The Policy was also updated in 2023 with regard to the composition of the Board of Statutory Auditors, raising the quota for the least represented gender to two-fifths, without prejudice to the fact that, if the Board of the Statutory Auditors has three members, **rounding** must be to the lower whole number in application of the criterion in art. 148 of the CFL and art. 144-undecies 1 of the Issuers' Regulation. As regards the requirements for members of the oversight body, the document specifies that the Statutory Auditors must meet: (i) the integrity requirements provided for in the legislation in force and the Articles of Association, and (ii) the independence requirements provided for in the legislation in force, the Articles of Association, the Corporate Governance Code and the document adopted by the Company containing "Application criteria and procedure for assessing independence (under the terms of art. 2 of the Corporate Governance Code)".

On 26 February 2026, the Board of Directors, with the support of the Remuneration and Nominations Committee and the Sustainability, Governance and Scenarios Committee, resolved not to make any substantial changes to the document.

In line with the Gender Equality Certification, the actions included in the Strategic Plan result from the identification of 16 objectives grouped into 6 macro-areas: Awareness, Research and Selection, Opportunities and Growth Pathways, Salary Equity, Family Support and Work-Life Balance. The objectives therefore define an all-round strategy for the business processes involved, which include in particular: setting up dialogue systems to gain insights into inclusiveness; diversity, equality and inclusiveness training; updating the selection process; collaboration with schools, universities and associations to attract possible candidates and promote careers in STEM subjects; training staff on inclusive recruitment; organising leadership courses; implementing an integrated system of metrics and complementary multiple views to reduce subjectivity in assessments and introduce methodologies in line with the most advanced market standards; monitoring and mitigating the gender pay gap; supporting shared parenting and care-giving, promoting the awareness and use of available leave and benefits, through communication campaigns, the development of a Parental Toolkit, financial support for childcare costs, and a new tool to support parents' emotional, practical and physical wellbeing, with a focus on their return to work; launching a programme to improve parenting skills; promoting inclusive working hours and monitoring structural remote working. For each objective, strengths and weaknesses are then identified, separately identified by specific assessment, auditing and monitoring activities; actions are defined to close any gaps which emerge, and implementation and monitoring time-frames are identified for the achievement of the objectives established.

With the Strategic Plan, Terna therefore intends to enable a path of cultural transformation for the promotion of equal opportunities and the enhancement of diversity, with the ultimate goal of fostering responsible growth that generates a positive impact and contributes to reducing the gender gap, not only in the company, but also in society.

During February 2025, an external audit was carried out with the IMQ Certification Body to maintain the certification, according to the reference practice UNI/PdR 125:2022 'Guidelines on the gender equality management'. The external audit was passed with no "non-conformities" and the certification was maintained.

Sustainability Policy

With the Sustainability Policy, Terna is committed to **adopting and incorporating sustainability objectives into its strategy**, in line with the topics found to be material and selected from the Sustainability Goals, supporting the management and mitigation of ESG risks.

The objectives are:

(i) to design procedures for defining the Group's sustainability strategies;

(ii) to build awareness of key topics and expected outcomes;

(iii) to disseminate a culture of sustainability inside and outside the company.

By adopting the Policy, Terna has made a formal and public commitment to **adopting sustainable conduct and actions in relation to the main reference frameworks** (the SDGs and Italy's National Integrated Energy and Climate Plan, or PNIEC) and to ESG topics considered important for the Group. Furthermore, the commitments defined in the Policy support the management and mitigation of ESG risks to which the Terna Group is exposed.

Maximum number of positions in other companies

Bearing in mind the approach taken in the Corporate Governance Code then in force, in 2007 Terna's Board of Directors approved its own guidelines regarding the maximum number of positions that can be held as director or auditor in significantly large companies that still enable efficient performance of duties as a Director of Terna. These guidelines are presented in the in-house document "**Guidance concerning the maximum number of offices that may be held by Directors of Terna S.p.A.**", requiring the Directors of Terna to consider these before accepting office.

The Board thus identified general criteria for the commitments required for each role, covering Executive Directors and/or the Chief Executive Officer, non-executive independent Directors, and non-executive non-independent Directors. In assessing the required commitment for each type of position, a "weight" was assigned to each category, also establishing that holding the position of Chief Executive Officer and/or Executive Director of Terna would be incompatible with holding the position of Chief Executive Officer and/or executive Director in listed companies or other large companies.

The document has been reviewed over the years to align it with the changes introduced by the Corporate Governance Code and take into account the experience acquired during the current term of office and the approaches taken by peers.

To evaluate the number and type of other positions held in the management and oversight bodies of other companies, as recommended in the Corporate Governance Code, the document distinguishes between "listed companies" and "large companies" and the definition of "Executive Director" has also been aligned with definition used in the Code. As to the number of positions that may be held by each of Terna's Director in the management and oversight bodies of other listed companies or large companies, the document, updated during the Board meeting of **1 March 2023** has reduced the maximum number of such positions from sixteen to ten and has increased the "weights" assigned to management and oversight positions held in listed or large companies by Terna's Chief Executive Officer, Executive Director and other Directors.

The review of the Guidance offered an occasion to emphasise the principle that whoever assumes the role of Director must be able **to dedicate sufficient time to diligently carry out the related duties**. The Guidance specifies that the average level of attendance at Board meetings by members of Terna's Board of Directors must be in any event in line with the average attendance recorded at other companies listed on the FTSE-MIB and, in particular, at those comparable with Terna. Moreover, attendance must not be below 80% for Board of Directors' meetings held during any one year. The above percentage for attendance also applies to meetings of Board Committees. Furthermore, in the event that the above percentages are not reached in the individual Committees and in the Board of Directors, the Board of Directors will decide whether to relieve the Director of their role in Committees in order to ensure their full attendance and proper functioning.

On 26 February 2026, the Board of Directors, with the support of the Remuneration and Nominations Committee and the Sustainability, Governance and Scenarios Committee, resolved not to make any substantial changes to the document.

Board of Directors' Terms of Reference

As part of work on adapting and revising internal governance documents with the aim of fully and effectively applying the new recommendations in the Corporate Governance Code, on 28 July 2022, Terna's Board of Directors revised and updated the "Board of Directors' Terms of Reference" (i) to ensure formal alignment with the Corporate Governance Code; (ii) to provide greater consistency of the text with the reference documents that had already been aligned with the recommendations of the Corporate Governance Code; (iii) to apply the practices developed during the current Board's term of office. Subsequently, during the Board's current term of office, on **13 December 2023**, the document was updated once again, subject to prior approval by the then Nominations, Governance and Scenarios Committee.

The amendments to the Terms of Reference included: (i) changes of a formal nature resulting from the different **allocation** of **responsibilities among the Board Committees** and the consequent changes in their names; (ii) an **increase** in the **percentage of attendance** of Board members at Board and Board Committee meetings from 75% to 80%.

The proposed changes have improved the way the Board of Directors operates, enabling "informed" and "collective" decision-making with the priority aim of creating long-term value for shareholders and pursuing sustainable success, taking into account the interests of the Company's key stakeholders.

Following the new structure of the Committees resolved on 23 October 2024, the Board of Directors approved the related and consequent amendments to its Terms of Reference on 21 January 2025.

Review of market abuse procedures

In accordance with legislation designed to prevent and crack down on market abuse, since 2004, Terna has adopted specific procedures governing the internal management and processing of confidential information and the disclosure of documents and information concerning the Company and its subsidiaries.

These measures are designed to protect confidential information, whilst also ensuring that the market disclosure of information on the Company is fair, complete, appropriate, timely and not selective.

The procedures adopted by Terna in relation to Market Abuse include:

- the "*Procedure for Managing, Processing and Communicating Corporate Information relating to Terna S.p.A. and its Subsidiaries*" (**LG005**);
- the "*Procedure for Drawing Up and Updating the Insider List of Persons with Access to Inside or Potentially Inside Information*" (**LG008**);
- the "*Guidance for Identifying Potentially Inside or Inside Corporate Information and the Conditions for Applying the Procedure for Delaying Public Disclosure*" (**IO412CA**);
- the "*Internal Dealing Procedure*" (**LG010**).

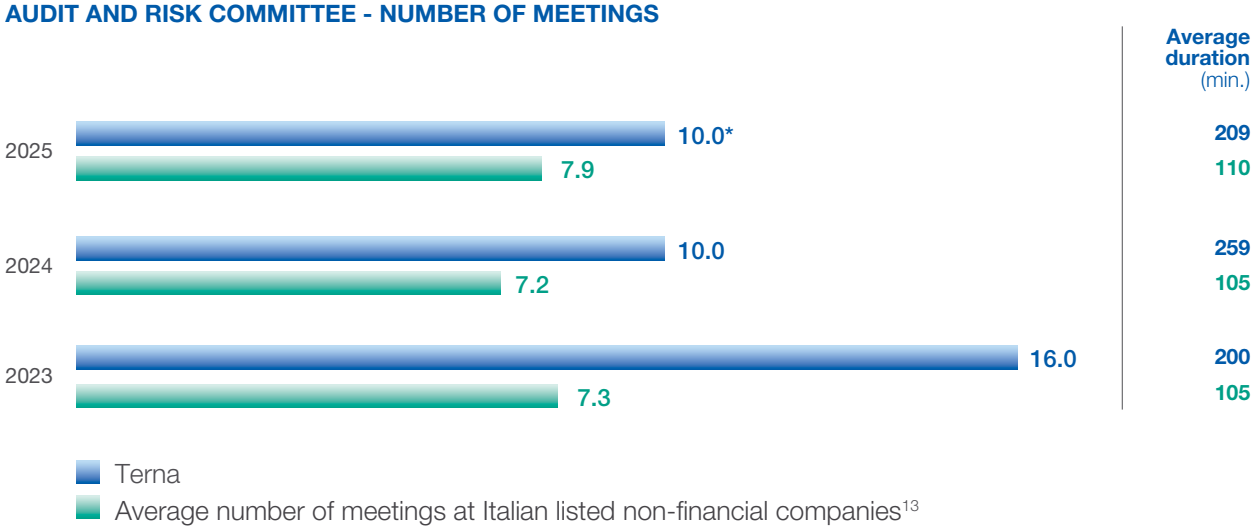
For the purpose of the three-year verification required by the procedures, although the substantive contents were confirmed, during 2025 certain formal changes were made to align their contents to the internal organisational structure.

Internal control and risk management system

BODY/FUNCTION		NOTES
Chief Executive Officer	Giuseppina Di Foggia	
Chief Risk Officer (CRO)	Enrico Farci	Head of HSE – Quality and Risks
Internal Audit Department		Internal to the Company
Head of the Internal Audit Department	Nicoletta Buonomo	
Manager responsible for financial reporting	Francesco Beccali	Head of Administration, Finance and Control
Supervisory Board	Giulio Prosperetti (Presidente)	external member
	Marco Gulotta	external member
	Mario Percuoco	external member
Independent Auditors	Deloitte & Touche S.p.A.	Nine-year period 2020-2028

BOARD OF STATUTORY AUDITORS - NUMBER OF MEETINGS

AUDIT AND RISK COMMITTEE - NUMBER OF MEETINGS



** Please note that, in 2025, the Sustainability, Governance and Scenarios Committee met once, jointly with the Audit and Risk Committee, as described in detail in Sections VII and X of this Report*

[12] The data in this section - with reference to the average number of meetings of Italian listed non-financial companies - relate to the financial years 2023, 2024 and 2025 and have been taken from the "Fin-Gov Report on Corporate Governance in Italy" (Fifth Edition, November 2025) by Massimo Belcredi and Stefano Bozzi.

[13] The data in this section - with reference to the average number of meetings of Italian listed non-financial companies - relate to the financial years 2023, 2024 and 2025 and have been taken from the "Fin-Gov Report on Corporate Governance in Italy" (Fifth Edition, November 2025) by Massimo Belcredi and Stefano Bozzi.

Key elements of the internal control and risk management system

ELEMENTS	
Existence of a document containing guidelines for **the Internal Control and Risk Management System**	YES
Presence of specific organisational structures with responsibility for **risk management**	YES
Adoption of an **Enterprise Risk Management Framework** to analyse all types of risks	YES
Annual assessment of the compatibility of business risks with management of the Company consistent with the strategic objectives set	YES
Preparation of specific compliance programmes (231 Model, 262 Control Model, Integrated Management System, Information Security Governance Model, Privacy Model, Anti-Fraud Model, Open & Transparent Tenders, Sub-contractor Portal, Whistleblowing Policy)	YES

Relations with key institutional partners involved in risk management

Emergency management involving the prevention of natural and man-made risks that may be detrimental to the continuity of the electricity service nationwide

Protection of National Cybersecurity and Cyber Resilience and Management of Cyber incidents

Prevention of the risk of criminal infiltration through contractors or suppliers Operational support by the SAGF (Soccorso Alpino GdF) and the airborne fleet for actions concerning strategic infrastructures

Training of Terna personnel to adequately support the fire service, including in emergency conditions.

Specific training for fire service personnel on working close to or in contact with infrastructure used to transport HV/VHV electricity

Security Information, aimed at protecting Italy from any dangers and threats coming from within or from outside the country

Physical protection of vulnerable sites to prevent and counter any attacks on or damage to Terna's critical infrastructure

Liaison with the State Police's Territorial Surveillance Service

Prevention and suppression of cybercrime

Promotion of study and research on energy security

Report On Corporate Governance and Ownership Structures 2025

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Introduction

Since the listing of its shares on the screen-based trading system (Mercato Telematico Azionario) organised and managed by Borsa Italiana S.p.A. in June 2004 (now Euronext Milan), TERNA S.p.A. (hereinafter also "Terna" or the "Company") has adopted a corporate governance system in line with corporate governance recommendations.

Since its listing in 2004, Terna has adhered to the Corporate Governance Code promoted by Borsa Italiana, gradually making the adjustments to its governance system required by the various editions of the Code issued over the years. In January 2020, the Corporate Governance Committee published a new edition of the Corporate Governance Code, which is effective for annual reporting periods beginning after 31 December 2020. At the Board of Directors' meeting of 27 January 2021, the Company formally signed up to the new edition of the Code.

Even before the entry into force of the new edition of the Code, Terna had put in place certain practices in line with the new recommendations, in order to comply with the new governance standards. During 2021, the Company adjusted and reviewed its internal governance documentation in order to fully and effectively implement the new provisions and recommendations.

Since 2022, the Company has further refined and revised its internal procedures so as to constantly improve its governance model.

This Report on Corporate Governance and Ownership Structures therefore sets out the corporate governance practices adopted in 2025. These practices take into account the following documents: (i) the Q&As to aid with application of the Corporate Governance Code – 2020 edition, published by the Corporate Governance Committee; (ii) the recommendations made by the Chair of the Corporate Governance Committee in the customary Letter to Issuers and in the Report for 2025 (both published on 18 December 2025). In preparing this Report, the Company has also, as far as possible, based its approach on the Format for the Report on Corporate Governance and Ownership Structures - 10th edition, published by Borsa Italiana in December 2024.

CONSOB recommendations and, more generally, the main international best practices have also been applied.

Finally, the Report includes a specific section containing the information required by art. 123-*bis* of Italian Legislative Decree 58/98 (the Italian Consolidated Law on Finance, or "CLF"), as amended by Italian Legislative Decree no. 254 of 30 December 2016 ("Implementation of Directive 2014/95/EU of the European Parliament and the Council of 22 October 2014, containing amendments to Directive 2013/34/EU relating to the disclosure of non-financial information and diversity information by certain undertakings and certain large groups"), and by art. 144-decies of the "Regulation implementing Italian Legislative Decree no. 58 of 24 February 1998, concerning the regulations for issuers" adopted by CONSOB with Resolution no. 11971 of 14 May 1999 (the "Issuers' Regulation"). It also includes a specific annex explaining the main characteristics of the internal control and risk management systems used in relation to the financial reporting process.

As will be explained in more detail in the Report, the Board of Directors leads the Company in the pursuit of sustainable success.

The corporate governance system also pays particular attention to compliance with European and national rules on functional and/or ownership separation applicable to all electricity and natural gas operators ("Unbundling legislation"), taking into account the specific nature of the activities carried out by Terna and the subsidiaries subject to the oversight of the Regulatory Authority for Energy, Networks and the Environment (ARERA). Terna's Board of Directors is responsible for adopting resolutions setting out the company's corporate governance rules, on the proposal of the Chief Executive Officer, as summarised in this Report, which was examined and approved by the Board of Directors at its meeting on 26 March 2026.

As specified in the Introduction to the Code, failure to comply with one or more of the Code's recommendations must be explained as follows:

(a) how the best practice recommended by the Code was not applied;

(b) the reasons for this;

(c) a description of how the decision not to comply was taken within the Company;

(d) whether non-compliance is limited in time, with an indication of when future adoption is to take place;

(e) any approach adopted as an alternative to the best practice not complied with and a description of how this decision contributes to good corporate governance.

Unless otherwise stated, all the information included in the Report has been updated on the basis of the information available at the date of approval of the Report.

Section I
Issuer Profile – Corporate Structure

Issuer Profile
Mission

We guarantee energy security and balance electricity supply and demand 24 hours a day, ensuring that the system is reliable, efficient and accessible to all. We invest and innovate every day in the development of an electricity grid capable of integrating the energy produced from renewable sources, improving links between the different areas of the country and strengthening cross-border interconnections, applying a sustainable approach that takes into account the needs of the communities and people we work with.

Sustainability

Terna plans, manages and monitors all of its activities paying attention not only to the potential economic impact but also to social and environmental impacts, by fully embedding sustainability in its approach to doing business.
The Group's strategy for the five-year period from 2024 to 2028 is based on a unified vision of its role in serving the country and consists in the consistency of the Group's Industrial Plan with its Sustainability Plan. Accordingly, the structure of the Sustainability Plan has been revised so as to enhance all ESG goals in line with those of the Industrial Plan.

The two common threads running through both the Sustainability Plan and the Industrial Plan are linked to environmental and social considerations, shaped by the Group's material topics. These concepts express two of Terna's key characteristics: on the one hand, given its role as a TSO with a vital part to play in delivering the energy transition, thus leaving future generations with a carbon-free environment, sustainability is inherent in the very nature of Terna, making it "Green by Nature". On the other hand, Terna's business activities are carried out within the framework of a solid structure of protections and safeguards aimed at the maximum protection of its stakeholders' rights and demands, with a constant commitment to listening to local communities. As a result, the Group is sustainable by choice and therefore "Social by Purpose". The elements under the two threads "Green by Nature" and "Social by Purpose" thus indicate that, side by side with the key priority of achieving a combined energy and digital transition, (the "Twin Transition"), the Company must also take into account the social impacts, raising the Group's ambition and delivering a Just Transition. Achieving an energy and digital transition that is both fair and inclusive is thus, at the same time, the priority goal of the Group Sustainability Plan and the Plan's contribution to the Industrial Plan, providing further impetus towards the objective of delivering long-term value and sustainable success.

In line with the principles of the "Corporate Governance Code", which assigns the Board of Directors, among others, the task of promoting "*dialogue with shareholders and other stakeholders which are relevant to the company, in the most appropriate way*", Terna adopts the tools to create, maintain and consolidate a relationship of mutual trust with its stakeholders, which is instrumental in creating value for the Company, society and the environment.

The values underpinning Terna's approach to sustainability are set out in the Code of Ethics and are expressed in its mission, which in turn is aligned with the United Nations SDGs (Sustainable Development Goals), above all Goals 7 ("Affordable and clean energy"), 9 ("Industry, innovation and infrastructure"), 13 ("Climate action") and 17 ("Partnerships for the goals"), which define responsibilities and objectives in keeping with the Terna's role in driving and enabling the Italian energy system and a just and inclusive transition (the "Just Transition").

From the point of view of sustainability, the relationship with the environment and the resulting social consequences are particularly important. The physical presence of pylons, lines and power stations that interact with the surrounding landscape and biodiversity, direct CO2 emissions and waste management are key topics for the Terna Group.

The tools used by the Company to manage these aspects in the best possible way, minimising risks, including reputational ones, are, as far as its impact on the landscape and environment are concerned, governed by the adoption, since 2002, of a voluntary process of prior involvement of local institutions (regional and municipal authorities, park authorities, etc.) directly affected by implementation of the Development Plan. Since 2015, Terna has adopted a further tool for engaging with local communities, called "Terna Incontra". These are public events that institute a continuous communication channel with people from the communities directly affected by new electricity infrastructure, whether a power line or a substation, in order to enter into a participatory design process.

Essential to the proper conduct of business is the Management System developed to control and mitigate the impact of Terna's activities. The system, ISO 14001-certified since 2007, forms part of a wider Integrated Management System that includes certified quality and workplace safety management systems, and is a major risk management tool.

On the institutional front, in May 2024, Terna presented the digital portal TE.R.R.A., a cutting-edge institutional communication tool available to national and local administrators, legislators and applicants, giving them access to strategic and relevant information on the Territory, Grids, Renewables and Storage.

Since 2009, Terna's cooperative approach has also involved the main environmental associations (WWF Italia, Legambiente and Greenpeace), with which the Company has entered into and renewed partnership agreements with the aim of continuously improving the sustainability of the National Transmission Grid since the preparation of the Development Plan.

With regard to CO2 emissions, in line with national and international climate change objectives, Terna has formally set a Science Based Target ("SBT") to reduce its emissions as early as 2021. The target was made more ambitious at the beginning of 2023, setting the goal of cutting direct and indirect emissions by 46.2% by 2030 versus 2019 levels and indirect emissions produced by its value chain by 11.1% compared with 2021. With a view to constantly raise its ambition in combating climate change, when publishing the 2024-2028 Industrial Plan update in March 2025, the Terna Group officially announced its commitment to the Science Based Targets Initiative to define a net zero target within two years.

In 2022, the Company drew up its Circular Economy Strategy and subsequently set out the Roadmap of actions through to 2030 for the procurement of materials and their correct use, the sustainable use of resources, including secondary raw materials, and the management of waste. The Roadmap defines initiatives and actions to ensure circularity is integral to Terna's Business Model. The Roadmap covers the period through to 2030 and is aligned with the Sustainability Plan.

The Board of Directors is kept constantly updated on sustainability guidelines, activities and results both through appropriate communications to the Audit and Risk Committee and by periodic and constant updates to the Sustainability, Governance and Scenarios Committee. Indeed, on 23 October 2024 - to strengthen the control of sustainability topics and tie them in more closely with governance issues and the long-term strategy in line with regulatory developments and national and international market best practices - the Board of Directors resolved to give more space to ESG goals, expanding the tasks of the Governance and Scenarios Committee and renaming it "Sustainability, Governance and Scenarios Committee". In parallel, the "Audit, Risk and Sustainability Committee" was renamed "Audit and Risk Committee".

Lastly, starting from 2024, Terna publishes its sustainability reports pursuant to Italian Legislative Decree no. 125 of 6 September 2024 which implements in Italy the provisions of the Corporate Sustainability Reporting Directive (Directive (EU) 2022/2464). The document is available on the Company's website at www.terna.it.

Pursuant to the "definitions" contained in the Corporate Governance Code, **Terna qualifies as a "large" company**, as it had a capitalisation of more than €1 billion on the last trading day of each of the three preceding calendar years starting from 31 December 2020. By assuming the status of large company, Terna has adhered to the principles and recommendations addressed to this category of company.

Corporate Structure

In compliance with the provisions of the Italian legislation concerning listed companies, the Company's corporate structure - based on the traditional management and control model - includes the following:

- **Board of Directors** with responsibility for managing the Company (art. 21.1 of the Articles of Association). For this purpose, the Board is vested with the broadest possible powers to perform all acts deemed necessary for the performance and achievement of the Company's objects, excluding only those matters reserved by law or by the Articles of Association to the General Meeting of shareholders.
- **Board of Statutory Auditors** with responsibility for overseeing: (i) compliance with the law and the Articles of Association, and the application of correct governance principles in the conduct of the Company's business, (ii) the adequacy of the organisational structure, the internal control system and the administrative and accounting systems adopted by the Company and its domestic and overseas subsidiaries, as well as performing all the tasks assigned to the Board of Statutory Auditors by the law and the Corporate Governance Code.
- **General Meeting of shareholders**, with responsibility for deliberating – in ordinary or extraordinary session – on, *inter alia*:
  i. the election and termination of members of the Board of Directors and Board of Statutory Auditors and the related remuneration and responsibilities;
  ii. the approval of the financial statements and the allocation of annual profit;
  iii. the buyback and sale of own shares;
  iv. amendments to the Articles of Association;
  v. the issue of convertible bonds;
  vi. the grant of authority necessary for Directors to authorise related party transactions for which the relevant independent body has not issued a favourable opinion, as required by the legislation in force and the procedures adopted by the Board of Directors, and for urgent transactions submitted by the Directors to the General Meeting for a consultative vote (art. 13.3 of the Articles of Association);
  vii. pursuant to art. 123-*ter*, paragraph 3-*ter* of the CLF, the Company's policy governing the remuneration of the members of management bodies and the oversight body, general managers and key management personnel, as contained in Section I of the "Annual Remuneration Report", which is subject to a binding vote;
  viii. pursuant to art. 123-*ter*, paragraph 6 of the CLF, Section II of the "Annual Remuneration Report" regarding the remuneration paid, which is subject to a non-binding vote; and
  ix. equity-based payment plans, pursuant to art. 114-*bis* of the CLF.
- **Manager Responsible** for Financial Reporting, assigned the duties and responsibilities provided for in law and the applicable regulatory and internal requirements, and those provided for in the Corporate Governance Code.

The independent audit of the Company's accounts is entrusted to a specialist audit firm enrolled on the specific register of external auditors, appointed by the General Meeting of shareholders on the recommendation of the Board of Statutory Auditors.

Terna's Independent Auditor performs the same role within the Company's main subsidiaries.
In order to ensure the independence of the audit firm and of the senior in charge of the audit, the engagement of independent auditors to audit the financial statements of the Company and those of any other Group company, and of the consolidated financial statements, is not in any event given to audit firms falling within the definition of incompatibility pursuant to art. 17 of Italian Legislative Decree 39/2010 and Part III, Title VI, paragraph I-*bis* of the Issuers' Regulation.
Terna S.p.A.'s Annual General Meeting of 27 May 2014 approved amendments to articles 4.1, 10, 14.3, 15.5 and 26.2 of the Articles of Association. This was in response to resolutions ARG/com 153/11 e 142/2013/R/EEL issued by the

Regulatory Authority for Electricity, Gas and Water (the AEEGSI, now known as the Regulatory Authority for Energy, Networks and the Environment). In these resolutions, the regulator laid down the procedures for certification of the electricity transmission operator and adopted the final decision to certify Terna as the "electricity transmission system operator in ownership unbundling model".

These changes were implemented for the first time at the Annual General Meeting held on 9 June 2015, with reference to the election of a Director who had previously been co-opted by the Board of Directors on 21 January 2015 and, subsequently, also at the General Meeting of 27 April 2017, which elected new corporate bodies. On 23 March 2017, a General Meeting of Terna's shareholders approved the Board of Directors' proposal to expand on the rules governing slate voting during the election of the Board of Directors and the Board of Statutory Auditors, in cases where the slate obtaining a majority of the votes does not contain a sufficient number of candidates to ensure the election of the required number of Directors (art. 14.3 and art. 26.2 of the Articles of Association).

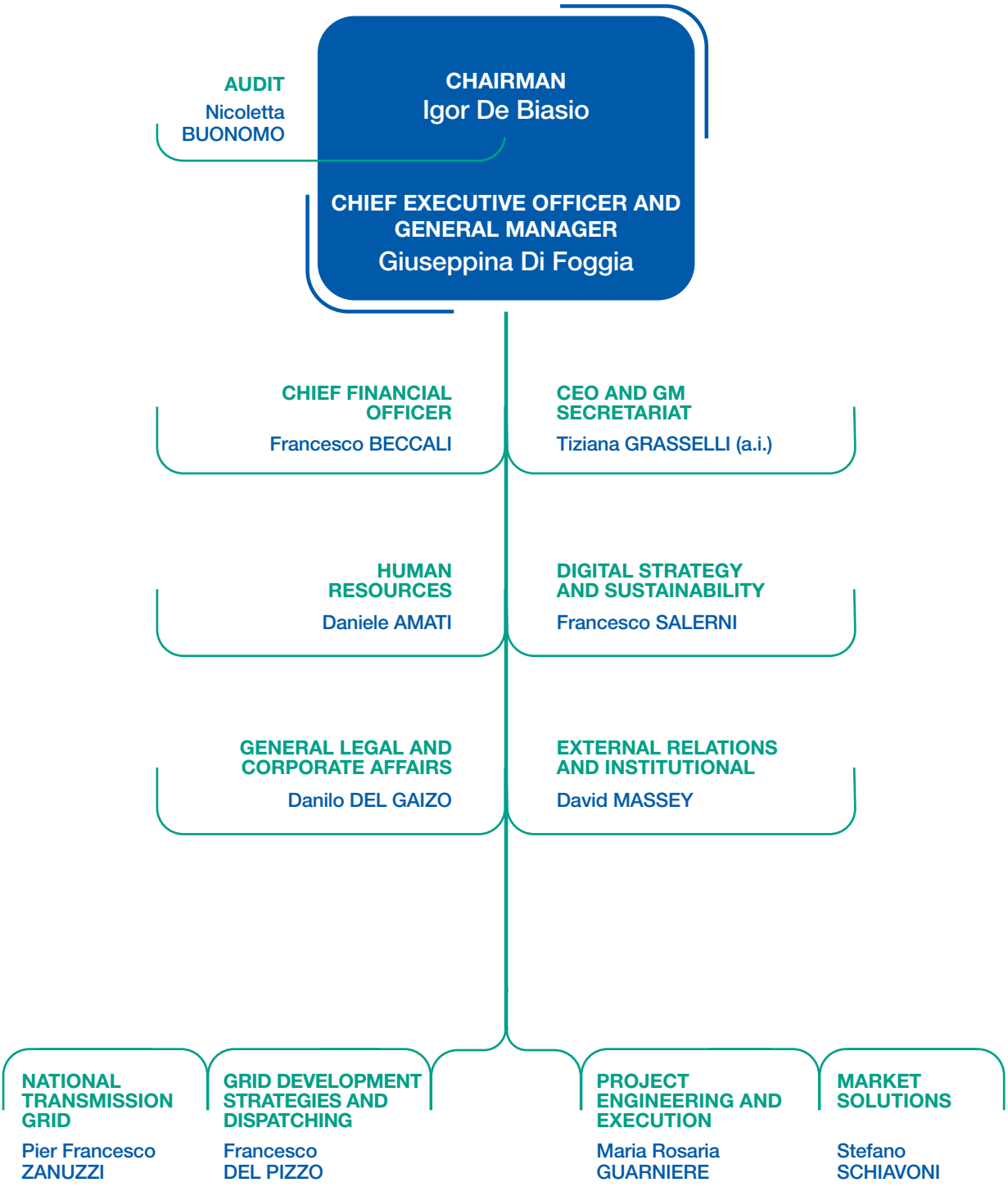
Finally, on 18 May 2020, a General Meeting of Terna's shareholders approved the Board of Directors' proposal to align the Articles of Association with the current legislation governing gender quotas. The General Meeting repealed art. 31 of the Articles of Association, referred to as the "Transitional provision", in its entirety, maintaining – within the other articles governing the composition of the Company's Board of Directors and Board of Statutory Auditors – the reference to the legislation from time to time in force.

The Terna Group, including direct and indirect investments at 31 December 2025, consists of 30 subsidiaries (including 14 Italian), 3 joint arrangements (including 2 overseas) and 4 associates (including 1 Italian).

The following changes in the structure of the Group have taken place with respect to 31 December 2024:

- On **4 March 2025**, LT S.r.l. changed its company name to Altenia S.r.l., which, from **1 April 2025**, following the contribution of a business unit, also took over management of the Energy Services business, previously carried out by Terna Energy Solutions S.r.l. As a result of this transaction, Terna Energy Solutions S.r.l.'s equity interest in Altenia S.r.l. increased from 87.5% to 89% in April;
- on **29 May 2025**, the subsidiary Altenia S.r.l. completed the acquisition of 100% of the share capital of the Italian company Ste Energy S.r.l., which operates in the design, construction and maintenance of renewable energy plants and electrical infrastructure;
- on **30 May 202**5, the subsidiary Terna USA LLC completed the sale of its entire 40% interest in the US-based joint arrangement BMT Energy Transmission Development LLC to Meridiam Transmission Development LLC, a Delaware limited liability company;
- on **27 August 2025**, the liquidation of Terna Chile S.p.A. which formally began on 17 December 2024, was completed;
- on **30 September 2025**, Terna S.p.A. completed the acquisition of 100% of Rete 2 S.r.l., a subsidiary of Areti and owner of a portion of Acea Group's high-voltage infrastructure located in the Rome metropolitan area. The transaction covers 73 high-voltage transmission lines totalling 481 km (both overhead and underground), the fibre-optic network installed along the high-voltage lines and the high-voltage components of three primary substations. Design, construction, management, development, operation and maintenance of high-voltage power lines are Rete 2's mission. This transaction is in line with the objectives of the Group's 2024-2028 Industrial Plan Update and will create value and efficiency for the entire electricity system, enabling Terna more efficient operational management of its network;
- on **20 October 2025**, the subsidiary Terna USA LLC completed the disposal of its entire shareholding, equal to 0.01% of the share capital, in Terna 4 Chacas S.A.C. and Terna Perù S.A.C. to Rete S.r.l.;
- on **18 December 2025**, the subsidiary Terna Forward S.r.l. completed the acquisition of a 15.4% stake in the share capital of the Italian company "Hypermeteo S.r.l.", an innovative start-up operating in the meteorological and climate services market through the development of high-resolution meteorological and climate datasets, thereby consolidating its presence in Corporate Venture Capital and strengthening its portfolio of investments in technological innovation in support of the energy transition.

Top Management



Section II

Information on ownership structures (as per art. 123-*bis*, paragraph 1 of the CLF)

Share capital structure

(as per art. 123-*bis*, paragraph 1(a) of the CLF)

At 26 March 2026, the Company's share capital amounts to €442,198,240 and solely comprises a total of 2,009,992,000 fully paid-up nominative Terna ordinary shares with a par value of €0.22 each.

Each share carries the right to one vote at both ordinary and extraordinary General Meetings, in accordance with the limits set by current legislation and by the Articles of Association. The ordinary shares grant the further voting and ownership rights provided for by the laws governing voting shares.
From 8 to 16 September 2025, under a share buyback programme to service its 2025-2029 Performance Share Plan (see the paragraph on "*Authority to increase the share capital and purchase own shares*"), the Company purchased 1,060,499 ordinary own shares on the Euronext Milan market (equal to 0.053% of the share capital, at a cost of €8,999,998.33)[14]. In addition to the aforementioned purchased shares, there are a further 3,234,128 ordinary own shares already held by the company. Thus, at present Terna holds a total of 4,294,627 own shares (equal to 0.214% of the share capital), acquired under six separate share buyback Programmes to service, respectively: (i) the 2020-2023 Performance Share Plan, from 29 June 2020 to 6 August 2020; (ii) the 2021-2025 Performance Share Plan, from 31 May 2021 to 23 June 2021; (iii) the 2022-2026 Performance Share Plan, from 27 May 2022 to 9 June 2022; (iv) the 2023-2027 Performance Share Plan, from 22 June 2023 to 6 July 2023; (v) the 2024-2028 Performance Share Plan, from 4 to 20 September 2024, and (v) the 2025-2029 Performance Share Plan, from 8 to 16 September 2025[15].
With the exception of the above shares, the Company does not hold further own shares in its portfolio, including through subsidiaries; therefore, pursuant to art. 6.1 of the Articles of Association, 2,005,697,373 ordinary shares, excluding the above own shares, have voting rights.

Since 23 June 2004, Terna's shares have been listed in the Euronext Milan segment of the Italian Stock Exchange's screen-based trading system ("EXM", formerly the MTA or Mercato *Telematico Azionario*), organised and managed by Borsa Italiana S.p.A. This index includes mid- and large-cap companies aligned with international best practices and belonging to the Financial Times Stock Exchange - Milano Indice di Borsa (FTSE MIB).
Pursuant to art. 5.2 of the Company's Articles of Association, the General Meeting of shareholders can approve capital increases through the issue of new shares, including those belonging to special categories, to be allotted free of charge pursuant to art. 2349 of the Italian Civil Code to employees, or for consideration, and with the exclusion of pre-emption rights pursuant to art. 2441 of the Italian Civil Code, to persons to be identified by shareholder resolution.
The Company has not issued other financial instruments granting holders the right to subscribe for newly issued shares.
Terna has not issued shares that are not traded on regulated markets in an EU state.

[14] See, in this respect, the press release of 5 September 2025, available at the following link:
https://download.terna.it/terna/Terna_avvio_programma_ESG_linked_acquisto_azioni_proprie_Piano_Performance_Share_2025_2029_8ddec8f46fffcd6.pdf

[15] In this respect, see the press releases of 28 June 2021, 13 June 2022, 10 July 2023, 23 September 2024 and 22 September 2025 available at the following links:
https://download.terna.it/terna/Terna_operazioni_su_azioni_proprie_conclusione_programma_8d93a651f5f9ffb.pdf
https://download.terna.it/terna/Terna_concluso_programma_acquisto_azioni_proprie_8da4d5856032b0b.pdf
https://download.terna.it/terna/Terna_concluso_programma_acquisto_azioni_proprie_8db81764c5a475a.pdf
https://download.terna.it/terna/Terna_conclusione_programma_acquisto_azioni_proprie_2024_8dcdc01fddc499d.pdf
https://download.terna.it/terna/Terna_concluso_programma_acquisto_azioni_proprie_2025_8ddf9f4987e1b81.pdf
It should also be noted that for all buyback programmes, the end dates are those of the last share buyback made.

Significant shareholdings in the Company and shareholders' agreements

(as per art. 123-*bis*, paragraph 1(c) and (g) of the CLF)

Based on information from the shareholder register, notifications received in accordance with the applicable legislation and other available information, at 25 March 2025, the following shareholders hold interests in the Company's share capital, amounting to €442,198,240 and comprising a total of 2,009,992,000 fully paid-up nominative Terna ordinary shares with a par value of €0.22 each, in excess of the notification thresholds established by art. 120 of the CLF and the Issuers' Regulation:

- CDP Reti S.p.A. (a joint-stock company controlled by Cassa Depositi e Prestiti S.p.A., itself in turn 82.77% owned by Italy's Ministry of the Economy and Finance), which holds a 29.851% interest.
- Blackrock Inc. which holds a 5.014% interest.

There are no other interests in the Company above the notification threshold established by the CONSOB, based on the information in the Company's possession.
In terms of the situation of control, in a letter dated 30 October 2014, Cassa Depositi e Prestiti S.p.A. ("CDP") declared that it had transferred its entire 29.851% interest in Terna to CDP Reti S.p.A. ("CDP Reti"), a wholly owned subsidiary of CDP. The letter represented the fact that *"the de facto relationship of control between CDP and Terna, as notified on 19 April 2007, is unchanged*".

In a subsequent letter dated 2 December 2014, CDP announced that:

- on the one hand, on 27 November 2014, it had sold a total interest of 40.898% in CDP Reti to State Grid Europe Limited ("SGEL" or "the Investor") - a company wholly controlled by State Grid International Development Limited ("SGID"), a member of the State Grid Corporation of China Group - and to a group of Italian institutional investors and that, as a result of the sale, CDP's controlling interest in CDP Reti consisted of 95,458 class A shares, representing 100% of the category A shares in issue and 59.102% of the share capital;
- on the other hand, that "*the other data previously communicated in relation to the aforementioned investments remained unchanged*".

In this regard, it should also be noted that, within the context of the shareholders' agreements entered into by CDP, SGEL and SGID on 27 November 2014, and in relation to CDP Reti, Snam S.p.A. and Terna as below, CDP has confirmed that it has sole de jure control over CDP Reti.

As regards shareholders' agreements, it should be noted that the only current shareholders' agreement of which the Company is aware, and that can be classed as relevant for the purposes of art. 122 of the CLF, is the shareholders' agreement between CDP, SGEL and SGID signed on 27 November 2014. This was registered with the Rome Companies Register on 1 December 2014 and announced in a notice published in the newspaper "Il Sole 24 Ore" on 2 December 2014. An extract is published on the websites of the CONSOB and the Company (www.terna.it, in the Investors section, under "Main Shareholders").

In this regard, it should be noted that, on 5 August 2014, CDP - in view of the above sale of its interest in CDP Reti - provided the Company with the essential information required under the terms of art. 122 of the CLF and of articles 127 and 130 of the Issuers' Regulation. This information was taken from the sale contract entered into for the above purpose on 31 July 2014 and published on the Company's website.

Following the sale of the interest, CDP notified the Company that, on the same date as the sale, it had entered into a shareholders' agreement with SGEL and SGID. This agreement was a replacement for the previous agreements of 31 July 2014 with the same parties and regarded the signatories' investments in CDP Reti, Snam S.p.A. and Terna, giving SGEL governance rights.

In a letter dated 11 November 2016, CDP informed the Company of further changes to the agreement made on 7 November 2016. The changes extended the scope of the agreement to include Italgas S.p.A. and coordinated its content with that of the shareholders' agreement dated 20 October 2016, which came into force on 7 November 2016, regarding all the interests held by CDP Reti, CDP GAS and SNAM in Italgas. The amended agreement was filed with the Rome Companies Register on 11 November 2016 (registration date: 17 November 2016), as per the notice published on the same date in the newspaper, "Il Sole 24 Ore". The essential information on this agreement, to which the reader should make reference, has been published on the websites of the CONSOB and the Company (www.terna.it, in the Investors section, under "Main Shareholders"). Lastly, following the transfer to CDP Reti of the remaining investments held by CDP in SNAM S.p.A. and Italgas S.p.A., the essential information in the shareholders' agreement was last updated on 23 May 2017. This last update only concerned the voting rights attaching to the above investments and not the shares in Terna held by CDP Reti. Based on the provisions of art. 131, paragraphs 2 and 5 of the Issuers' Regulation, at CDP's request, Terna proceeded to publish and store this update, which is also available in the appropriate section of the Company's website.

The Shareholders' Agreement contains (i) provisions regarding the exercise of voting rights in Terna and in CDP Reti pursuant to art. 122, paragraph 1 of the CLF; and (ii) provisions placing limits on the transfer of the shares pursuant to art. 122, paragraph 5(b) of the CLF.

The duration of these agreements is three years from the date of signature and they are automatically renewable for further periods of three years, subject to withdrawal. Should CDP inform the Investor of its intention not to renew the agreement at least six months before the next expiry, the Investor will have the right to withdraw from CDP Reti.

For the present purposes, the aforementioned agreement grants the Investor the following:

- with regard to CDP Reti:
  - the right to nominate two of the five members of the Board of Directors of CDP Reti provided that the Investor continues to hold an interest equal to at least 20% of the share capital of CDP Reti, while CDP retains the right to designate the other Directors (including the Chair of the Board of Directors and the Chief Executive Officer);
  - the right to nominate one standing auditor and one alternate auditor provided that the Investor continues to hold an interest equal to at least 20% of the share capital of CDP Reti, whilst the Chair of the Board of Statutory Auditors will in any event continue to be chosen from among the standing auditors nominated by CDP;
  - certain matters reserved to the Board of Directors, relating, among other things, to (i) the budget and business plan, (ii) proposals/recommendations for amendments to CDP Reti's articles of association, (iii) decisions concerning the slate of candidates to be presented for the purpose of electing Terna's Board of Directors, (iv) decisions on exercising CDP Reti's voting rights at Terna's extraordinary General Meetings, and, for the present purposes, (v) the transfer, wholly or in part of the 29.851% interest held by CDP Reti in Terna and the purchase of any further Terna shares, if and to the extent to which this purchase gives rise to the obligation for CDP Reti to launch a mandatory takeover bid for Terna, (vi) the assumption of debt (in addition to existing debt at the time the agreement was signed) above certain thresholds and amendments to key terms and conditions in the loan agreements entered into by CDP Reti before the agreement was signed, (vii) proposals to distribute dividends and/or reserves and/or other distributions on the part of CDP Reti, (viii) transactions with CDP Reti's related parties that are not conducted on an arm's length basis, and (ix) decisions on the acceptance of possible assignees of any investment in CDP Reti;
  - the Investor's right to veto resolutions regarding the matters regarding (viii), (ix), (xi) and (x) in the above point, in the latter case when not compliant with the profit distribution policy provided for in the agreement, and which may not be adopted without the favourable vote of at least one of the directors nominated by the Investor;
  - specific quorums for Board of Directors' resolutions that provide for the necessary participation of at least 1 member of CDP Reti's Board of Directors nominated by the Investor, unless a new meeting of the Board is convened with the same agenda;

- specific quorums for resolutions to be passed by CDP Reti's extraordinary general meetings, provided that the Investor continues to hold an interest equal to at least 20% of the share capital of CDP Reti, in relation to specific matters, such as: capital increases that exclude or limit the exercise of shareholders' pre-emption rights, non-proportional demergers, mergers that do not regard companies wholly owned or 90%-owned, changes to provisions in the articles of association that provide for rights protecting non-controlling shareholders, including through the issue of new categories of share;
- the right to withdraw from CDP Reti if, among other things specified in the essential information in the shareholders' agreement, for any reason CDP's sole de jure control over CDP Reti should cease (a Change of Control provisions);

• with regard to Terna and provided that the Investor continues to hold an interest equal to at least 20% of the share capital of CDP Reti:

- the right to nominate a candidate to be included in the slate of candidates for election Terna's Board of Directors, assigning the candidate a position in the slate such as to guarantee their election should the slate receive a majority of the votes at Terna's General Meeting.

Under the legislation governing mandatory tender offers, within the context of the agreement described, it is forbidden for either the Investor or CDP, by reason of their direct or indirect investment in CDP Reti, to directly or indirectly purchase shares in Terna.

With regard to certain agreements relating to intragroup transfers and those relating to the lock-up of investments in CDP Reti held by the parties to such agreements (the "Lock-up Period"), it should be noted that the specific provision relating to the non-transferability of such investments to "a direct competitor of Snam and/or Italgas and/or Terna - meaning by this any industrial entity whose core business consists of the management of natural gas and/or electricity transmission systems within the territory of the European Union, and any person who exercises control, directly or indirectly, including jointly, over such industrial entity" (the "Lock-up Period for Transfers to a Direct Competitor").

In the event of a transfer of an interest to third parties, if one of the parties, following the transfer, holds an interest of less than 20% in CDP Reti, the parties have given a mutual undertaking to ensure that the Directors of CDP RETI and/or Terna nominated by such party will resign. The same commitment to ensure the resignation of the Directors nominated by the Investor in Terna applies when the Investor is no longer wholly owned, directly and/or indirectly, by SGID.
Within the context of the above agreements, specific provisions have also been introduced to take account of the provisions in the Unbundling Legislation and of the rules included in Terna's corporate governance system, as a company operating in the electricity sector. Such provisions are designed to ensure the observance of unbundling requirements. In particular, the Investor has undertaken to ensure that the Director it has nominated to be a member of Terna's Board of Directors (if, and to the extent to which, this Director is not independent under the terms of art. 148 of the CLF) shall abstain, to the extent permitted by law, from the receipt of information and/or documentation from Terna relating to certain matters. This relates to matters where the Director has a conflict of interest on behalf of the Investor and/or of any subject affiliated thereto, and relating to commercial opportunities in which both Terna and the Investor, and/or a subject affiliated thereto, have an interest and where there may be competition ("Matters Involving Conflict"). In addition, the Director may not take part in discussions of Matters Involving Conflict by Terna's Board of Directors.

Moreover, in order to resolve any breaches of the legislation on ownership unbundling, wherein the Investor does not intend to comply with any of the requirements or measures imposed by the competent authorities, a specific exception to the rules in the agreement relating to the Lock-up Period has been provided for.

Delegation of power to increase the share capital and authorisations to purchase own shares

(as per art. 123-*bis*, paragraph 1(m) of the CLF)

At the date of this Report, the Board of Directors has no authority pursuant to art. 2443 of the Italian Civil Code to increase the share capital, nor does it possess the authority to issue equity instruments.

Based on the Board of Directors' proposal of 25 March 2025, the Annual General Meeting of Shareholders of 21 May 2025 – subject to prior revocation of the authority to purchase and dispose of own shares adopted by the Annual General Meeting of Shareholders of 10 May 2024 - authorised the Board of Directors: (i) to buy back, on one or more occasions, over a period of 18 months from the date of the above resolution (and until 21 November 2026, subject to revocation of said resolution) Terna's ordinary shares to service the 2025-2029 LTI Performance Share Plan for the management of Terna and/or its subsidiaries pursuant to art. 2359 of the Italian Civil Code, approved by the same Annual General Meeting of 21 May 2025, and/or other share-based incentive plans for Terna's Directors and/or employees and/or those of subsidiaries and/or associates (the "Programme"), and (ii) to dispose of the own shares held, establishing the related conditions.

In implementation of the authority granted by the Annual General Meeting, on 24 June 2025, the Board of Directors approved the launch of the Programme and authorized the Chief Executive Officer to take all the necessary steps in order to exercise such authority.

In execution of the above resolutions, on 8 September 2025, the Company launched a share buyback programme, involving a total cost of up to €9 million and up to a maximum of 1.8 million of the Company's ordinary shares, representing approximately 0.09% of Terna's share capital.

In order to carry out the Programme, Terna also specifically appointed BNP Paribas S.A., an authorised intermediary that will take all the decisions regarding the purchases to be made on the Euronext Milan exchange, organized and managed by Borsa Italiana S.p.A. The intermediary is to act on a fully independent basis, including with regard to the timing of transactions, and in conformity with the daily price and volume limits in keeping with both the authority granted by the above Annual General Meeting of shareholders and the provisions of art. 5 of Regulation (EU) 596/2014 on market abuse and art. 3 of Delegated Regulation (EU) 2016/1052.

Under the Programme, which came to an end on 16 September 2025, Terna purchased 1,060,499 own shares (equal to 0.053% of the share capital) at a cost of €8,999,998.33. In addition to the total number of shares purchased, there are a further 3,234,128 own shares already held by the Company. As of today, therefore, Terna holds a total of 4,294,627 own shares (equal to 0.214% of the share capital), acquired under six separate share buyback Programmes, as described in detail in the section "Share capital structure". With the exception of the above shares, the Company does not hold further own shares in its portfolio, including through subsidiaries; therefore, pursuant to art. 6.1 of the Articles of Association, 2,005,697,373 ordinary shares, excluding the above own shares, have voting rights.

Since 23 June 2004, Terna's shares have been listed in the Euronext Milan segment of the Italian Stock Exchange's screen-based trading system ("EXM", formerly the MTA or Mercato *Telematico Azionario*), organised and managed by Borsa Italiana S.p.A. This index includes mid- and large-cap companies aligned with international best practices and belonging to the *Financial Times Stock Exchange* - Milano Indice di Borsa (FTSE MIB).

In addition, the Board of Directors' meeting that approved this Report resolved to seek from the Annual General Meeting a further authorisation to purchase and dispose of Company's own shares, in compliance with the legislation in force, to service the new Long-term Incentive Plan based on Performance Shares for the period 2026-2030 - reserved for management personnel of Terna and/or its subsidiaries pursuant to Article 2359 of the Italian Civil Code - also submitted to the Annual General Metting's approval, with repeal of the previous authorisation.

Employee share ownership: procedure for exercising voting rights (as per art. 123-*bis*, paragraph 1(e) of the CLF)

The procedure for exercising the right to vote at General Meetings through shareholder associations, including groups of employee shareholders, is governed by the specific legislation in force.

Under special legislation for listed companies, Terna's Articles of Association contain a special provision designed to facilitate the collection of proxy votes from groups representing employee shareholders at both the Company and subsidiaries, thereby encouraging their involvement in shareholder decision-making (art. 11.1 of the Articles of Association).

At 26 March 2026, the Company had not received any notification of the establishment of employee shareholder groups.

Change of control clauses (as per art. 123-*bis*, paragraph 1(h) of the CLF) and Articles of Association provisions on takeovers (as per art. 104, paragraph 1-*ter* and art. 104-*bis*, paragraph 1 of the CLF)

With regard to significant agreements that Terna or any of its subsidiaries are parties to at 31 December 2025, and that are subject to conditions precedent, amendments or termination in the event of a change of control of Terna, the following should be noted.

Within the context of such matters, it should be noted that outstanding loan agreements with the European Investment Bank (EIB) at 31 December 2025 include mandatory early repayment provisions, the triggers for which include a change of control of the Company. Should a change of control occur, the EIB will have the right to consult the Company. Should the EIB decide, based on a reasonable and justified assessment of the situation, that the related transactions may have a negative impact on the Company's ability to meet its financial obligations to the bank, following prior notification to the Company containing the reasons for its decision, the EIB will have the right to cancel the credit facilities and request early repayment of any outstanding amounts, together with any interest accrued on the amounts in question and any other sum payable under the related agreements.

With regard to takeover bids and public tender offers to exchange, the Articles of Association do not provide for any exemptions from the provisions of the CLF on the passivity rule provided for in art. 104, paragraphs 1 and 1-*bis*, of the CLF, nor are the neutralisation rules contained in art. 104-*bis* of the CLF. This is without prejudice - under the terms of art. 104-*bis*, paragraph 7 of the CLF – to the rules in the Articles of Association and legislation putting limits on share ownership and voting rights, as per art. 3 of Italian Decree-Law no. 332 of 31 May 1994, converted with amendments by Italian Law no. 474 of 30 July 1994, as amended (the "Privatisation Law").

Restrictions on the transfer of shares and shares carrying special rights (as per art. 123-*bis*, paragraph 1(b) and (d) of the CLF)

The Articles of Association do not place limits on the free disposal of shares, except as already described in the previous section under "Significant shareholdings in the Company and shareholders' agreements" in relation to the existing shareholders' agreement between CDP, SGEL and SGID and to the provisions in the Articles of Association regarding the rules on privatisations

in Italian Decree-Law no. 332 of 31 May 1994 converted with amendments into Italian Law no. 474 of 30 July 1994, as amended (the "Privatisation Law"). In particular, pursuant to Italian legislation concerning privatisations, Terna's Articles of Association put a "cap on shareholdings", with no shareholder permitted to hold a direct and/or indirect interest in Terna's shares of more than 5%, unless they are the Italian government, a public body and entities under the control of such entities. Application of these provisions, under certain circumstances required by the Articles of Association, also affects voting rights.
The "cap on shareholdings" (provided for in art. 6.3 of the Articles of Association and in accordance with art. 3 of the "Privatisation Law") is also calculated taking into account the total interests held by the parent, a natural or a legal person or a company; all direct and indirect subsidiaries, as well as subsidiaries under the control of the same controlling entity; associates and natural persons connected by family relationships up to second degree and by marriage, providing the spouse is not legally separated. Control occurs, including with reference to persons other than companies, in the circumstances provided for in art. 2359, paragraphs 1 and 2 of the Italian Civil Code. Association occurs in the circumstances provided for in art. 2359, paragraph 3 of the Italian Civil Code, as well as between persons who, directly or indirectly, through subsidiaries other than those managing mutual investment funds, enter into, including those with third parties, agreements related to the exercise of voting rights or to the transfer of shares or quotas in third-party companies or, in any event, agreements as per art. 122 of the CLF, with reference to third-party companies, if such agreements regard at least 10% of the voting shares, in the case of listed companies, or 20% in the case of unlisted companies. With reference to calculation of the above-mentioned cap on shareholdings (5%), shares owned through trustees and/or proxies and, generally, through an intermediary, are also taken into account.

This cap on shareholdings - in accordance with the provisions of art. 3, paragraph 3 of the "Privatisation Law" – no longer applies where it has been exceeded as the result of a public tender offer, provided that, following the offer, the bidder holds an interest equal to at least 75% of the voting shares granting the right to elect or terminate directors.

Voting rights attaching to shareholdings in excess of the above-mentioned cap may not be exercised and the voting rights attributable to each of the persons to which the cap applies are proportionally reduced, except in the event of joint prior notice given by the relevant shareholders. In the event of non-compliance, the shareholder resolution may be challenged under art. 2377 of the Italian Civil Code if the required majority would not have been achieved without the votes attaching to the shareholdings in excess of the above cap. Shares for which the right to vote cannot be exercised are nevertheless included in computation of the quorum for General Meetings. As a result of the repeal of the provisions contained in art. 2, paragraph 1 of the Privatisation Law relating to "special powers" granted to the Italian State (represented for this purpose by the Ministry of the Economy and Finance, irrespective of the quantity of any Terna shares held by the Ministry), which took place following the entry into force, from 7 June 2014, of both Presidential Decree 85 of 25 March 2014 (published in the Official Gazette of 6 June 2014 and containing "*Regulations governing the identification of strategic assets in the energy, transport and communications sectors, pursuant to art. 2, paragraph 1 of Law Decree 21 of 15 March 2012*") and the provisions of Law Decree 21 of 15 March 2012, converted into law by art. 1, paragraph 1 of Law 56 of 11 May 2012 (the so-called "**Golden Power Decree**"), the provisions regarding "special powers" in Terna's Articles of Association ceased to have effect. Such powers were then eliminated by resolution of the Company's Board of Directors on 18 December 2014.

Terna, together with other Terna Group companies, to the extent that it holds assets of strategic national interest as identified by Presidential Decree no. 180 of 23 December 2020 and Presidential Decree no. 179 of 18 December 2020, is subject to the rules on special powers of the Italian State under Decree-Law no. 21 of 15 March 2012 (converted with amendments by Law no. 56 of 11 May 2012 and subsequently amended and supplemented) and the related implementing decrees (including, in particular, Presidential Decree no. 133 of 1 August 2022, which governs, among others, the prenotification requirement and the procedure for intra-group transactions).

Restrictions on voting rights

(as per art. 123-*bis*, paragraph 1(f) of the CLF)

In implementation of the legislation regarding privatisations, a number of restrictions on voting rights linked to the cap on shareholdings referred to above are provided for (in art. 6.3 of the Articles of Association). Further restrictions are provided for under the provisions of the Golden Power Decree, as indicated above, in connection with the process in preparation for exercise of the special powers relating to the purchase, for whatever reason, by a natural or legal person

from outside the European Union, or, among other things, "who is not resident in or whose usual place of domicile, registered or administrative office or main place of business is not in a European Union member state or a state forming part of the European Economic Area, or which is not in any case established therein", of controlling interests in Terna and, also, in the event that the right of opposition is exercised.

Finally, further restrictions apply to operators in the electricity sector (as provided for in art. 3 of the Decree of the Italian President of the Council of Ministers of 11 May 2004 concerning "criteria, methods and conditions for the unification of ownership and management of the National Transmission Grid"). This has capped the exercise of voting rights when electing Directors at 5% of the share capital (art. 14.3(e) of the Articles of Association).

With regard to the expression of voting rights at General Meetings, reference should be made to "Section XVI: General Meetings", regarding the related provisions in the Articles of Association (specifically art. 10.2, art. 14.3(f) and art. 26.2) introduced by the General Meeting held on 27 May 2014 (as described in the previous section "Corporate Structure"). These articles regard potential conflicts of interest for the purposes of art. 2373 of the Italian Civil Code, in compliance with the provisions of Directive 2009/72/EC, subsequently superseded by Directive (EU) 2019/944 and Italian Legislative Decree 93/2011, as amended by Italian Legislative Decree 210/2021, and resolutions of the Authority for Electricity, Gas and Water, or ARERA, no. ARG/com 153/11 and 142/2013/R/EEL, whereby the Authority laid down the procedures for certification of the electricity transmission operator and adopted the final decision to certify Terna as the electricity "transmission operator" according to the ownership unbundling model.

Election and replacement of Directors and amendments to the Articles of Association (as per art. 123-*bis*, paragraph 1(l) of the CLF)

Election of Directors, related requirements and term of office

The procedure for electing members of the Board of Directors is governed by art. 14 of the Articles of Association. The number of members of the Board of Directors is determined by the General Meeting and is between seven and thirteen (art. 14.1 of the Articles of Association), elected for a period of no more than three financial years and eligible for re-election at the end of their term of office (art. 14.2 of the Articles of Association).

The Chair is elected by the General Meeting from among Board members (art. 16.1 of the Articles of Association and art. 2380-*bis*, paragraph 5 of the Italian Civil Code) or, failing this, by the Board itself. The Board of Directors also has the authority to elect a Deputy Chair.

In compliance with the legislation on privatisations and with Italian laws on listed companies, the entire Board of Directors is elected on the basis of the slate voting system, governed by art. 14.3 of the Articles of Association. The purposes of this system is to ensure that the Board includes at least three-tenths of Directors appointed by non-controlling shareholders. If the number so obtained is fractional, it shall be rounded up to the nearest whole number.

Slates of candidates may be submitted by the outgoing Board of Directors or by shareholders who, either on their own or together with other shareholders, hold an interest of at least 1% of the shares with voting rights in accordance with the terms and conditions provided for by law, or of the lower percentage provided for by the CONSOB in implementation of art. 147-*ter* of the CLF and art. 144-*septies* of the Issuers' Regulation. In Resolution no.157 of 18 February 2026, CONSOB set the threshold at 0.5%

The submission, filing and publication of slates are governed, by express reference in the Articles of Association, by the applicable laws and regulations and, where required by the Articles of Association, by the instructions given by the Company in the notice of call to the Annual General Meeting.

In particular, pursuant to Article 147-*ter*(1-*bis*) of the CLF - slates must be submitted and filed least 25 days before the day set for the Annual General Meeting called to elect the members of the Board of Directors.

Ownership of the minimum percentage interest required in order to submit slates is determined – in accordance with the provisions of art. 147-*ter*, paragraph 1-*bis* of the CLF – on the basis of the shares registered as belonging to the shareholder or shareholders on the date on which the slates are filed with the Company. In order prove title to the number of shares required in order to submit slates, shareholders with voting rights must present and/or deliver the relevant documentation, issued in accordance with art. 43 of the Single Measure on post-trading issued by the CONSOB and the Bank of Italy on 13 August 2018. This may occur after the slate has been filed, provided that it takes place within the deadline for publication of the slates (being at least 21 days prior to the scheduled date of the General Meeting called to deliberate on the election of the Board of Directors).

Each shareholder may submit or participate in the submission of one slate only and each candidate may be on one slate only or will be considered ineligible.

The slates must list candidates by assigning them a progressive number (art. 14.3 of the Articles of Association). Slates containing three or more candidates must include candidates from both genders, in accordance with the notice of call to the General Meeting. This is to ensure that the composition of the Board of Directors complies with existing legislation concerning the gender balance among the members of the management and oversight bodies of listed companies, as per art. 147-*ter*, paragraph 1-*ter* of the CLF as amended by Law No. 160 of 27 December 2019 (the 'Budget Law'), which requires that two-fifths of the total seats on the Board must be reserved for the least represented gender (after rounding up in the event of fractional numbers).

The slates indicate which of the candidates meet the independence requirements established by law and in the Articles of Association (art. 148, paragraph 3 of the CLF, recalled by art. 147-*ter* paragraph 4 of the CLF and art. 15.4 of the Articles of Association) and any other information or representation required by the applicable legislation and regulations and the Articles of Association for the respective positions.

As concerns the personal characteristics of candidates, when drawing up the slates, shareholders are invited to assess candidates' details, including their professional backgrounds, experience, including management experience, and gender, with regard to the size of the Company and the specific nature of the sector in which it operates. Shareholders should also bear in mind the guidance published by the outgoing Board of Directors and the diversity policies adopted by the Company regarding aspects such as age, seniority, gender, geographical origin, qualifications and professional and managerial experience of members of the Board of Directors (see below Section IV: "Board of Directors - Composition – Diversity policies"). The aim of the above policies is to ensure the qualitative and quantitative composition of the Board of Directors is such as to enable Directors to effectively carry out the duties and responsibilities assigned to the management body, including by ensuring the presence of people with sufficiently divergent points of view and with the expertise necessary in order to understand the current state of the business, the long-term risks and opportunities to which the Company is exposed and the medium- to long-term sustainability of the Company's activities.

Slates of candidates must be accompanied by an indication of their suitability to qualify as independent pursuant to the law and/or the Corporate Governance Code. In this regard, together with the slates and as specifically requested in a section of the notice of call to the General Meeting, each candidate must file a declaration, under their own responsibility, certifying their suitability to qualify as independent pursuant to the above Code.

The slates must also be accompanied by declarations in which each candidate accepts their candidacy and declares, under their own responsibility, the absence of any reason for their ineligibility or incompatibility (including those provided for in art. 15.5 of the Articles of Association introduced by the General Meeting of 27 May 2014 for all the Company's Directors, in implementation of the provisions of Directive 2009/72/EC, subsequently superseded by Directive (EU) 2019/944, and Italian Legislative Decree 93/2011, as amended by Italian Legislative Decree 210/2021, and resolutions of the ARERA, no. ARG/com 153/11 and 142/2013/R/EEL, whereby the Authority laid down the procedures for certification of the electricity transmission operator and adopted the final decision to certify Terna "electricity transmission system operator in ownership unbundling"), and provide the information required by art. 144-*octies*, paragraph 1(b) of the Issuers' Regulation and any further information required by the applicable legislation and regulations and the Articles of Association.

Shareholders submitting a "minority slate" must comply with CONSOB Communication DEM/9017893 of 26 February 2009 (regarding the "Election of members of management and oversight bodies"), which recommends that, together with the slate, they file a declaration attesting to the absence of any of the connections referred to in art. 147-*ter*, paragraph 3 of the CLF, containing the information listed in the communication with regard to the election of the management body.

The slates – accompanied by information on the characteristics of each candidate and the additional declarations and information required by CONSOB Communication DEM/9017893 of 26 February 2009, which extends to the election of the management body the requirements for the election of the audit body under Article 144-*octies*(1) of the Issuers' Regulation – are made available to the public - in accordance with Article 147-*ter* (1-*bis*) of the CLF – at the Company's registered office and on its website, in the manner required by CONSOB, at least 21 days prior to the General Meeting called to elect the members of the Board of Directors.

In order to take office, Directors must meet the integrity, professionalism and independence requirements set out in the Articles of Association and the applicable legislation.

In particular, the Company's Directors must meet **integrity requirements** similar to those that apply to the statutory auditors of listed companies (art. 15.2 of the Articles of Association and art. 147-*quinquies* of the CLF). The elected Directors must immediately inform the Board of Directors if they subsequently fail to meet the requirements established by law and the Articles of Association, and the occurrence of any reason for their ineligibility or incompatibility (art. 14.3 of the Articles of Association).

With regard to **professionalism requirements**, the Articles of Association (art. 15.3) state that no person may be elected as Director of the Company and, if elected, their position must be terminated, if they have not acquired at least three-year experience in the following:

- management, oversight or executive roles at a company with share capital of no less than €2 million; or
- professional roles or permanent university teaching positions relating to legal, economic, financial and technical-scientific matters closely related to the Company's activities, as defined by art. 26.1 of the Articles of Association; or
- managerial roles at public entities or bodies operating in the credit, financial or insurance sectors or, in any event, in sectors closely related to the Company's activities, as defined by art. 26.1 of the Articles of Association (matters considered to be closely related to the Company's activities include those regarding commercial and tax law, business economics and corporate finance, and matters and sectors related to the energy sector in general, communications and network infrastructure).

With stricter application of the rules with respect to the provisions of art. 147-*ter*, paragraph 4 of the CLF, at least a third of the Directors in office must also meet the specific **independence requirements** provided for in art. 15.4 of the Articles of Association, which makes reference to the requirements for statutory auditors indicated in art. 148, paragraph 3 of the CLF[16]. In addition, Directors, given the specific activities conducted by the Company, are subject to the independence requirements referred to in art. 15.5 of the Articles of Association.

The presence of Directors qualifying as "independent", in accordance with the recommendations in the Corporate Governance Code, is important in relation to the composition of the Board Committees provided for in the Code itself and of the Related-Party Transactions Committee established by Terna in compliance with the CONSOB Regulation regarding measures relating to related party transactions and contained in Resolution 17221 of 12 March 2010, as subsequently amended and supplemented.
The Board of Directors shall verify that each of its members fulfils the integrity, professionalism and independence requirements and periodically assess the existence of the independence requirements for each of its non-executive members, also taking into account the information provided by the individuals concerned.

[16] It should be noted that art. 13, paragraph 1-*bis*, second sentence, of Law no. 118/2025 states that *"the term 'company' means exclusively entities, other than the State and public administrations, which hold shares as part of their business activities or for economic or financial purposes"*.

In 2007, the Company adopted a specific internal procedure, setting out the criteria for assessing the independence of its non-executive Directors and confirming the requirements referred to in the Articles of Association and the Corporate Governance Code in force at the time ("Application criteria and procedure for assessing the independence of Directors pursuant to art. 3 of the Corporate Governance Code"). This procedure was revised by the resolution dated 19 December 2012 to ensure alignment with the recommendations in the Corporate Governance Code, which called for confirmation that each Director met the requirements following their election, or every time an event took place that might compromise a Director's independence, and in any case at least once a year. For this purpose, Directors were requested to provide the information necessary to enable the Board to conduct its assessment.

In implementation of the Corporate Governance Code, the Company has updated the "Application criteria and procedure for assessing the independence (pursuant to art. 2 of the Corporate Governance Code"). The document consists of nine articles and identifies: the assumptions and objectives and the conditions that may compromise independence; the text dedicates an article to the figure of the Chair of the Board of Directors, if qualified as independent, and an article dedicated to the Board of Statutory Auditors, due to the extension of the independence criteria also to the members of the oversight body. The methods for assessing independence and the relevant assessment procedure are also described. An ad hoc article is dedicated to the meetings of directors who qualify as independent.

With regard to the procedure for electing Directors using a slate vote procedure, governed by art. 14.3 of the Articles of Association, the extraordinary session of the General Meeting of Terna's shareholders held on 23 March 2017 approved a number of amendments to the Articles of Association. These concerned articles 14.3 and 26.2 and were designed to supplement the rules for electing the Board of Directors and Board of Statutory Auditors by slate vote. The new provisions were applied for the first time when re-electing the Directors on 27 April 2017. In this regard, the procedure for electing Directors using a slate vote procedure, as governed by art. 14.3 of the Articles of Association, is described below.

The procedure for electing Directors using a slate vote procedure, as governed by art. 14.3 of the Articles of Association, establishes that each holder of voting rights may vote for one slate alone at the General Meeting. Seven-tenths of the Directors to be elected (after rounding down any fractional numbers) must be elected from the slate that obtains the greatest number of shareholder votes (the majority slate). The remaining Directors (equal to three-tenths of the remaining total) are elected from the other slates (the minority slates), applying the specific rules indicated in letters b) and c) of art. 14.3. In addition to the above provisions, in the event that, following the vote, the majority slate does not contain a sufficient number of candidates to ensure that the required number of Directors has been elected, the General Meeting shall proceed, without holding a further vote, to elect all the candidates listed on the slate, in the progressive order with which they are listed and – having filled all the positions reserved for minority slates, as indicated under letter b) of the above art. 14.3 – to elect the remaining Directors from the slate that obtained a majority of the votes among the minority slates (the "First Minority Slate") based on the number of candidates on such slate. If there are not sufficient candidates on the slate, the remaining Directors are elected, according to the same procedure, from the following slate (the "Second Minority Slate") or from subsequent slates, based on the number of votes and the number of candidates on the slates. Finally, if the total number of candidates included in the slates submitted, including both majority and minority slates, is below the number of Directors to be elected, the remaining Directors are elected by the General Meeting based on the majority required by law and without following the procedure for slate voting, so as to ensure the presence of the necessary number of Directors in possession of the independence requirements established by law and by art. 15.4 of the Articles of Association, and in compliance with the gender balance legislation in force.

The remainder of the slate voting procedure is governed by further provisions of the Articles of Association (art. 14.3(c) and (c-*bis*)) designed to guarantee gender balance and the minimum number of independent Directors required by law and the Articles of Association. These provisions state that, if the outcome of the vote does not comply with gender balance legislation, a new list must be produced, in descending order, of the candidates elected from the various slates (including the most voted slate) and the least-voted candidate belonging to the more represented gender in the list must be replaced with the most-voted candidate from the less represented gender that was not elected and belonged to the same slate as the replaced candidate. This procedure must not affect the minimum number of independent Directors required by the Articles of Association. The same procedure is to be adopted if it is necessary to replace an elected

Director in accordance with art. 14.3(c) of the Articles of Association, when the outcome of the vote does not result in the election of the minimum number of independent Directors required by law and the Articles of Association.

Where quotients are equal, whilst ensuring the minimum number of independent Directors required by the Articles of Association, the replacement must be taken from the slate that received the greatest number of votes (being the slate from which the largest number of candidates has been taken under the above procedure). If the number of candidates on that slate is not sufficient, in accordance with art. 14.3 c-*bis*) of the Articles of Association, the procedure is based on the majority required by law, respecting the proportionate representation of non-controlling shareholders on the Board of Directors. Where it is necessary to elect more than one candidate of a gender different from that of the other elected candidates, the replacement process described is conducted by moving up the rankings until the related legislation has been complied with.

Provisions in the Articles of Association designed to ensure compliance with gender balance legislation were first introduced into the Articles of Association by the Extraordinary General Meeting of 16 May 2012, in implementation of the provisions of Italian Law no. 120 of 12 July 2011 (the "Golfo-Mosca Law"). These provisions, which require that at least a third of the total seats on the Board of Directors must be reserved for the least represented gender (after rounding up in the event of fractional numbers)[17], were already applied, in line with the provisions of the Golfo-Mosca Law itself, (i) when re-electing the Board of Directors at the Annual General Meeting of 27 May 2014, and (ii) at the time of the subsequent election of the Board by the Annual General Meeting of 27 April 2017.

The Budget Law amending art. 147-*ter*, paragraph 1-*ter* of the CLF came into effect on 1 January 2020. As a result, at least two-fifths of the seats on a board of directors must be reserved for the least represented gender (after rounding up in the event of fractional numbers, with the exception of corporate bodies with 3 members).

In accordance with the provisions of the Budget Law, the new two-fifths requirement is applicable for six consecutive terms of office "from the first re-election of the management and oversight bodies of companies listed on regulated markets following the date of entry into force" of the Budget Law (i.e., the first re-elections to take place after 1 January 2020). This new criterion was thus applied for the first time on the occasion of the re-election of the Board of Directors by the Annual General Meeting of 18 May 2020.

In implementation of the above provisions, the extraordinary session of the Annual General Meeting of shareholders of 18 May 2020 also approved an amendment to the Articles of Association, cancelling art. 31 of the Articles of Association, referred to as the "Transitional provision", in its entirety, maintaining – within the other articles governing the composition of the Company's Board of Directors and Board of Statutory Auditors – the reference to the legislation regarding gender quotas on corporate bodies from time to time in force.

In addition to the above, under art. 147-*ter*, paragraph 3 of the CLF, at least one member of the Board of Directors must be elected from the most-voted minority slate which has no direct or indirect connection with the shareholders that submitted or voted for the most-voted slate.

For the election of Directors who, for any reason, are not elected at the same time as the re-election of the entire Board, as well as in all other cases in which, for any reason, it is not possible to follow the slate vote procedure, the

[17] Reduced to a fifth for the first term of office to which the Golfo-Mosca Law applies.

General Meeting must adopt resolutions with the majorities required by law and in such a way as to ensure, in any event:

- the presence of the necessary number of directors in possession of the independence requirements established by law and the Articles of Association;
- compliance with the gender balance legislation in force.

Finally, with regard to operators in the electricity sector, the Articles of Association have capped the exercise of voting rights when electing Directors at 5% of the share capital, as mentioned above. These restrictions are in line with the others more generally applicable to the exercise of voting rights at general meetings in implementation of the privatisation laws from time to time in force and linked to the cap on shareholders governed by art. 6.3 in the Articles of Association. Further details are provided above in the sub-section, "Restrictions on the transfer of shares and shares carrying special rights".

If required, the replacement of Directors must take place in accordance with art. 2386 of the Italian Civil Code. In any event, any Directors standing down are replaced by the Board of Directors, ensuring the presence of the necessary number of Directors in possession of the independence requirements established by law and by art. 15.4 of the Articles of Association, and compliance with the gender balance legislation in force.

If a majority of the Directors elected by General Meeting should stand down, the entire Board is deemed to have resigned and a new General Meeting must be called without delay by the remaining Directors in order to re-elect the Board. When the Directors are elected, in any of the ways provided for by the Articles of Association, the specific provisions of the Articles of Association (specifically art. 14.3 paragraph f) of the Articles of Association) on conflicts of interest shall also apply for the purposes of Article 2373 of the Italian Civil Code, introduced pursuant to EU Directive 2009/72/EC of 13 July 2009, and of Italian Legislative Decree 93 of 1 June 2011, as described in more detail in Section XVI: "General Meetings" below.

The Annual General Meeting of shareholders was held on 9 May 2023, among other things, to re-elect the management and oversight bodies. The Annual General Meeting elected the new Board of Directors on the basis of the nominations submitted on 14 April 2023. The first slate, presented by the Shareholder CDP RETI S.p.A. (holder of 599,999,999 shares, representing a total of 29.851% of Terna's share capital) and referred to as slate "number 1", included the following candidates, listed in progressive order: 1. Igor De Biasio; 2. Giuseppina Di Foggia; 3. Francesco Renato Mele; 4. Qinjing Shen; 5. Regina Corradini D'Arienzo; 6. Angelica Krystle Donati; 7. Enrico Tommaso Cucchiani; 8. Gian Luca Gregori; 9. Simona Signoracci. All the candidates on this slate have attested that they meet the requirements of integrity and professionalism set forth in paragraphs 2 and 3, respectively, of art. 15 of the Articles of Association, and that they are free from the incompatibilities set forth in paragraph 5 of said art. 15, as well as that they meet the requirements of integrity set forth in art. 147-*quinquies* of the CLF. In addition, the candidates Igor De Biasio, Giuseppina Di Foggia, Angelica Krystle Donati, Enrico Tommaso Cucchiani, Gian Luca Gregori and Simona Signoracci declared the existence of the independence requirements set forth in article 147-*ter*, paragraph 4, of the CLF and in article 148, paragraph 3, of the CLF, as well as the independence requirements for directors of companies with listed shares set forth in article 2 of the Corporate Governance Code. The second slate submitted by a group of shareholders consisting of asset management companies and other institutional investors (holding a total of 30,264,515 shares and representing 1.50570% of Terna's share capital, as indicated in the slates submitted and disclosed to the market) – identified as slate "number 2" – listed the following candidates 1. Marco Giorgino; 2. Karina Audrey Litvack; 3. Jean-Michel Aubertin; 4. Anna Chiara Svelto. The candidates on this slate have also attested, *inter alia*, that they meet the requirements of integrity and professionalism set out in paragraphs 2 and 3, respectively, of article 15 of the Articles of Association and that they are free from the incompatibilities set out in paragraph 5 of the same article 15, as well as that they meet the requirements of integrity set out in article 147-*quinquies* of the CLF. In addition, each candidate declared they fulfilled the independence requirements set forth in Article 147-*ter*, paragraph 4, and in Article 148, paragraph 3, of the CLF, as well as the independence requirements for directors of companies with listed shares set forth in Article 2 of the Corporate Governance Code. In accordance with Consob Communication no. DEM/9017893 of 26 February 2009, the group of shareholders consisting of asset management companies and other institutional investors that submitted slate "number

2" expressly declared both the absence of significant relationships within the meaning of Article 147-*ter*, paragraph 3 of the CLF and Article 144-*quinquies* of the Issuers' Regulation, and the absence of significant relationships within the meaning of the Consob Communication no. DEM/9017893 of 26 February 2009. 2,087 shareholders participated in the vote, representing 1,430,121,956 shares eligible to vote, or 71.150629% of the share capital. 660,144,477 shares, representing 46.160013% of the share capital represented at the Annual General Meeting, voted in favour of the "number 1" slate. On the other hand, 767,139,516 shares, representing 53.641545% of the share capital represented at the Annual General Meeting, voted in favour of the "number 2" slate. It should be noted that slate "number 2", submitted by a group of shareholders consisting of asset management companies and other institutional investors, and which obtained the highest number of votes, did not contain a sufficient number of candidates to ensure that the seven tenths to be elected would be allocated to it; therefore, in accordance with the Company's Articles of Association, the candidates necessary to complete the composition of the Board of Directors were drawn from slate "number 1" submitted by the shareholder CDP RETI S.p.A. As a result of the voting procedure and in accordance with the Company's Articles of Association, the Board of Directors is composed as follows: Igor De Biasio (Chair), Giuseppina Di Foggia (CEO), Enrico Tommaso Cucchiani, Angelica Krystle Donati, Simona Signoracci, Francesco Renato Mele, Regina Corradini D'Arienzo, Gian Luca Gregori and Qinjing Shen (Directors elected from the slate "number 1" and second in terms of number of votes, submitted by CDP Reti S.p.A.), Marco Giorgino, Anna Chiara Svelto, Jean-Michel Aubertin and Karina Audrey Litvack (directors elected from the "number 2" slate submitted by a group of shareholders consisting of asset management companies and other institutional investors and ranked first in terms of the number of votes). On 9 May 2023, the Board of Directors, having taken note of the appointment of Director Giuseppina Di Foggia as CEO and her executive role in the Company, assessed and determined that the CEO, Giuseppina Di Foggia, is not an independent director pursuant to (i) article 148, paragraph 3, CLF, as required by article 147-*ter*, <paragraph 4, CLF; (ii) of article 15.4 of the Articles of Association, (iii) of article 2, Recommendation 7 of the Corporate Governance Code as well as articles 2, 5 and 6 of the document "Application criteria and procedure for assessing independence".

It should be noted that following the resignation of Director Francesco Renato Mele, submitted on 27 May 2025 and effective upon the appointment of his successor, on 24 June 2025 the Board of Directors appointed by co-optation non-executive independent Director Stefano Cappiello. Subsequently, on 29 July 2025, the Board of Directors appointed by co-optation non-executive independent Director Paolo Damilano to replace Director Enrico Tommaso Cucchiani, who had tendered his resignation on 28 May 2025, effective upon the appointment of his successor.

Succession Plans

In view of the ownership structure and the concentration of ownership, Terna's Board of Directors has in the past opted not to proceed with an assessment of succession Plans for executive Directors.

The definition of specific procedures for the early replacement of executive Directors has assumed growing importance in recent years from the viewpoint of corporate governance. In this sense, at a meeting on 23 June 2015, the then Board of Directors extended the scope of the recommendations to be made by the Nominations Committee, assigning it responsibility for ensuring business continuity in the event of the need to replace Terna's Chair or Chief Executive Officer.

Subsequently, with the aim of improving the Company's governance practices, in line with the recommendations of Borsa Italiana S.p.A.'s Corporate Governance Committee in its "Fifth Report on application of the Corporate Governance Code", dated November 2017, and in view of the findings of the first board review, following the re-election of the Board in April 2017, in 2018, the Nominations Committee began looking into the potential for devising a succession process and the related procedures, thus responding to the recommendation from the Corporate Governance Committee.

At the end of the assessment and following a positive opinion from the Nominations Committee, on 8 May 2019, the Board of Directors approved an initial plan consisting of two levels: on the one hand, a Contingency Plan for the

replacement of the Chief Executive Officer, the Chair and other Board members in an emergency; on the other, a Succession Plan for senior management positions. The Company was advised by external consultants in drawing up the plans. The company relied on external consultants to prepare the plans.

During the 2020-2023 term of office, the Contingency Plan was not reviewed; instead, the Chief Executive Officer reviewed only the Succession Plan relating to senior management. The Contingency Plan had been assessed by the then Nominations Committee as a comprehensive document capable of governing emergency situations. In this regard, the Committee, at the end of its term of office, had called for the subsequent Board to pay due attention to those topics also in light of art. 4, Recommendation 24 of the Corporate Governance Code. Therefore, during the current Board's term of office, the responsible Committee started examining the document to consider possible revisions. The Contingency Plan as proposed by the Remuneration and Nominations Committee at its meeting on 18 February 2026 and supported by the Sustainability, Governance and Scenarios Committee on 23 February 2026 was subsequently approved by the Board of Directors on 26 February 2026.

Amendments to the Articles of Association

In terms of the rules governing amendments to the Articles of Association, any changes must be approved by an extraordinary General Meeting with the majority required by law.

As permitted by law, the Articles of Association (art. 21.2) assign the Board of Directors the authority to adopt certain resolutions reserved for shareholders that may involve amendments to the Articles, such as:

a) mergers and demergers, in the cases permitted by law;

b) the establishment or closure of secondary offices;

c) decisions on which of the Directors may act as representatives of the Company;

d) reductions in the share capital following the withdrawal of one or more shareholders;

e) amendment of the Articles of Association to comply with legislation;
f) the transfer of the registered office within Italy.

The provisions of the "Golden Power Decree" and the related restrictions are covered in the previous sub-section, "Restrictions on the transfer of shares and shares carrying special rights".

In addition, in accordance with the provisions of art. 3, paragraph 3 of the "Privatisation Law", Terna's Articles of Association state that the provisions of art. 6.3 of the Articles of Association, regarding the "cap on shareholdings" described above in the sub-section "Restrictions on the transfer of shares and shares carrying special rights", may not be amended.

Termination payments to Directors in the event of resignation, dismissal or termination of the relationship following a public tender offer for the Company (as per art. 123-*bis*, paragraph 1(i) of the CLF)

The disclosures required by art. 123-*bis*, paragraph 1(i) of the CLF regarding agreements between the Company and Directors, involving payments in the event of resignation or dismissal/termination without just cause, or if the relationship is terminated following a public tender offer, are provided in the "Report on the Remuneration Policy and Remuneration Paid", published by Terna in compliance with the provisions of art. 123-*ter* of the CLF.

Management and coordination

Terna is subject to the de facto control of Cassa Depositi e Prestiti S.p.A., exercised through CDP Reti S.p.A. (a joint-stock company controlled by Cassa Depositi e Prestiti S.p.A.), which holds a 29.851% interest in the Parent Company. The checks, confirming the above situation of control, were conducted by Cassa Depositi e Prestiti and notified to the Company and CONSOB with effect from 19 April 2007 and, subsequently, as described in Section II above, under "*Significant shareholdings in the Company and shareholders' agreements*", by letter dated 30 October 2014 and 2 December 2014.

At this time, there are no formal arrangements for the management and coordination of the Company, nor have any such rights been exercised. Terna conducts its business either directly or through its subsidiaries in conditions of operational and contractual independence.

Further information and corporate governance practices
(as per art. 123-*bis*, paragraph 2 of the CLF)

The further information on the Company's corporate governance required by art. 123-*bis*, paragraph 2 of the CLF and art. 144-decies of the Issuers' Regulation, with regard to:

- compliance (as per at. 123-*bis*, paragraph 2(a) of the CLF) is provided in a specific section of the Report (section III);
- the main characteristics of existing risk management systems and internal controls over financial reporting, including the consolidated accounts (as per art. 123-*bis*, paragraph 2(b) of the CLF), and further material information on corporate governance practices (as per art. 123-*bis*, paragraph 2(a) of the CLF) are described in the section of the Report dealing with the Internal Control and Risk Management System (section XI) and in Annex 1;
- General Meeting procedures (as per art. 123-*bis*, paragraph 2(c) of the CLF) is provided in the section of the Report dealing with General Meetings (section XVI);
- the composition of the Board of Directors and the role of its members, as well as information on the election and composition of the Board of Statutory Auditors and diversity policies in relation to the composition of the Board of Directors and Board of Statutory Auditors (as per art. 123-*bis*, paragraph 2, d) and d-*bis*) of the CLF and 144-decies of the Issuers' Regulation), is provided in the section of the Report dealing with the Board of Directors (section IV) and in subsequent sections dealing with Board Committees (sections VI, VII, VIII and X) and in the sections on the election and composition of the Board of Statutory Auditors (sections XIII and XIV).

With regard to further corporate governance practices, it should also be noted that - following Italian Legislative Decree no. 25 of 15 February 2016, which repealed the requirement for companies with listed shares to publish interim management reports - Terna, since 2016 and in line with best practices, subject to a resolution of the Board of Directors and in continuity with the past, has published consolidated results for the three and nine months ended 31 March and 30 September.

As announced to the market on 29 January 2026 and in continuity with previous years, in 2026 too Terna S.p.A. will publish its interim consolidated results as at 31 March and 30 September, following their approval by the Board of Directors.

The figures contained in the interim reports will be approved and published on a voluntary basis, according to the financial calendar published in the market announcement dated 29 January 2026. This practice implements the provisions of art. 82-*ter* of the Consob Issuers' Regulation, as amended by Consob Resolution no. 19770 of 26 October 2016. The publication of quarterly results guarantees the consistency and fairness of additional interim financial reporting and the comparability of the related disclosures with the matching disclosures in previously published interim reports.

Additional corporate governance practices

Since 2022, the Terna Group has adopted the Tax Control Framework (TCF), an organisational model aimed at managing tax risk that is part of the broader system of corporate governance and internal control.

The Tax Control Framework ("TCF") is a set of rules, procedures, organisational structures and safeguards designed to enable the detection, measurement, management, control and monitoring of tax risk, understood as the risk of committing a violation of tax regulations or breaching the related legislation (abuse of law).

At its meeting on 14 December 2022, Terna's Board of Directors approved the Group's "Tax Strategy", setting out the objectives, tone at the top and risk appetite of the Company in relation to taxation. The principles forming the basis for managing relations with tax authorities, and the commitment to promoting a culture of tax compliance among employees, from both an operational viewpoint and in terms of the structure of the tax control framework, are an integral part of the Tax Strategy.

The Tax Control Framework and the Tax Strategy represent the necessary requirements for access to the "Cooperative Compliance" regime governed by Legislative Decree no. 128 of 5 August 2015 as subsequently amended, to which Terna was admitted on 14 December 2023 with Revenue Agency Order prot. 425598.

The aim of the Cooperative Compliance regime is to increase the degree of certainty surrounding tax-related issues through continuous, preventive dialogue with the tax authority on factual elements, with the aim of arriving at an agreed interpretation of situations liable to give rise to tax risks.

Terna's inclusion among taxpayers admitted to the Cooperative Compliance system, thanks to the Revenue Agency's positive assessment of its system for the identification, management, control and mitigation of tax risks, is a testimony to the reliability of Terna's procedures and control systems and qualifies the Company as a "privileged" interlocutor of the Tax Authorities.

Also with a view to strengthening corporate governance in 2025, Terna continued its commitment to assessing the organisational, administrative and accounting structure of the Group's companies. Pursuant to art. 2381, paragraph 3 of the Italian Civil Code, the Board of Directors, "*based on the information received, assesses the company's organisational, administrative and accounting structure*". To enable these assessments, each Group company has prepared and approved a report describing its organisational, administrative and accounting structure, as well as the procedures and tools adopted to ensure that such structure operates correctly, including with reference to the timely detection of a business emergency or of the loss of business continuity, pursuant to Italian Legislative Decree no. 14 of 12 January 2019. The report, constantly updated with the best practices in the sector, is submitted by each Group company to the respective Boards of Statutory Auditors and approved by its Boards of Directors.

Companies with independent management to which administrative services are provided at 31 December 2025

SUBSIDIARY (*)	ADMINISTRATIVE SERVICES PROVIDED BY TERNA S.P.A.	INDEPENDENT ADMINISTRATIVE SERVICES
Terna Rete Italia S.p.A.	●	
Rete S.r.l.	●	
Rete 2 S.r.l.	●	
Terna Gora d.o.o. (Montenegro)		●
Terna Energy Solutions S.r.l.	●	
Terna interconnector S.r.l.	●	
Avvenia The Energy Innovator S.r.l.	●	
Brugg Cables Group (Switzerland)		●
Tamini Group		●
Altenia Group		●
ESPERIA-CC S.r.l.	●	
Terna Forward S.r.l.	●	
Terna Plus S.r.l.	●	
Terna 4 Chacas S.A.C. (Peru)		●
Terna USA L.L.C. (United States)		●

(*) The companies classified as held for sale in the consolidated financial statements have not been included.

The new structure of the report on the correct organisational, administrative and accounting structure is divided into three specific areas, each covered by a dedicated section:

- **Organisational Structure:** it highlights the adequacy of the corporate bodies with respect to the relevant legal provisions and the sets out well-defined organisational chart and function chart detailing the structures responsible for the various corporate processes and activities;
- **Administrative Structure:** it focuses on the adequacy of the tools for assessing in real-time - through analysis of the financial reports - the company's performance and planning and control systems, to identify any deviations of the results from the industrial plan estimates;
- **Accounting Structure:** it describes the organisation and structure of accounting processes within the company, to ensure the correct numerical reporting of business events and contribute to the accurate and transparent management of financial information.

The report is completed by a specific paragraph on the impact of the Corporate Sustainability Reporting Directive (CSRD), which was transposed into national law in 2024 by Legislative Decree no. 125/2024. In particular, this section highlights the impact of the recent legislation on the assessment of the adequacy of the Company's organisational, administrative and accounting structures.

Organisational structure

With regard to the Organisational Structure, Terna Group companies operate in accordance with their organisational and functional charts, as well as with the Group's control procedure pursuant to LG004 "Terna Group Internal Control and Risk Management System" (ICRMS).

In particular, the Administration, Finance and Control activities for the subsidiaries to which services are provided are ensured by the "Financial Statements, Administration and Taxation", "Planning and Control" and "Finance" functions of the Parent Company Terna S.p.A., with which a specific services contract is in place. For subsidiaries with independent management, the report, in addition to describing the subsidiary's organisational structure, highlights which services are provided by the Parent Company, Terna, detailing the related intercompany agreements. In this context, the organisation operates according to a set of procedures consistent with the risk management and internal control system that, in the case of service subsidiaries is fully managed by Terna and has been designed in accordance with the requirements of art. 154-*bis* of Italian Legislative Decree 58/98 (Consolidated Law on Finance or CLF), which is applicable to the Parent Company Terna S.p.A. since it is a joint-stock company listed on the Italian Stock Exchange. Subsidiaries with independent management adopt a Risk management and internal control system consistent with that of the Parent Company and show in the report the set of rules and procedures that form the backbone of the system, describing the organisation of monitoring activities. Within the Terna Group's administrative framework, internal control over financial reporting ("ICFR") plays a key role; this is the set of all the tools necessary or useful for guiding, managing and verifying the accuracy and reliability of the information disclosed externally. The Company also has in place an internal control system on sustainability reporting (ICSR), to oversee the reliability of such reporting and its compliance with the European sustainability reporting standards (ESRS) and the provisions of art. 8(4) of Regulation (EU) 852/2020 (EU Taxonomy). The reference framework for Terna S.p.A.'s control procedure is Guideline LG038 "Terna Risk Management System", which sets out the roles and responsibilities of the main actors involved in the Risk Management System within the company, incorporating into the company's organisational structure the three levels of control set out in the Corporate Governance Code for listed companies. The first level of control includes the roles and responsibilities of the management directly involved in the activities that impact capital, economic and financial reporting (Process Owners); the second level of control refers to the control functions related to specific regulations (Law 262, Tax Compliance Model and Law 231/2001) and the Enterprise Risk Management structure, while the third level of control refers to the Audit structure.

The primary instrument of the financial reporting control system is "the accounting and administrative procedures" referred to in art. 154-*bis*, paragraph 3 of the Consolidated Law on Finance. These procedures aim to ensure that financial reporting complies with relevant legislation by establishing appropriate information flows from company departments to the Chief Executive Officer and the Manager Responsible for Financial Reporting of Terna S.p.A., enabling them to make informed decisions on the disclosure of information about the Group to the market, particularly during the preparation of financial statements.

On the basis of this information flow ensured by procedures and controls, Terna S.p.A.'s Chief Executive Officer and Manager Responsible for Financial Reporting are able to declare that there are no misstatements or omissions of material facts in the information provided to the market. In this regard, the drafting of operating procedures enables the description and fine-tuning of the processes, supporting the issuance of the attestation that the managers of the Administration, Finance and Control departments, as process owners, must give to their direct supervisor, thus forming part of the chain of attestations intended for the Manager Responsible for Financial Reporting, leading to the final attestation issued by the latter and the CEO.

With this in mind, the Company has established a "Processes, Procedures and Monitoring" structure within the Financial Statements, Administration and Taxation department, with the task of supporting management in defining and updating AFC (Administration, Finance and Control) processes and procedures, monitoring performance by means of specific KPIs.

In line with best practices, Terna's operating procedures have a standardised structure that describes the flow of activities and the assessment of the associated operational and tax risks, with a focus on the risk containment strategy (effective first-level controls). In line with Terna's Risk Management System, the operating procedures are drawn up following a specific risk-based approach. They describe the roles and responsibilities of the various structures responsible for activities relating to financial, economic and cash-flow reporting, which form the basis for the preparation of the financial statements and, more generally, of documents intended for corporate bodies, shareholders and all stakeholders.
In terms of number of procedures, in 2025 Terna continued the process of defining, updating and maintaining its operating procedures in the Administrative, Accounting and Tax area, reaching the milestone of more than 50 new operating, administrative and accounting procedures that adopt the risk-based approach.

Monitoring of controls

The controls put in place are monitored at Terna in order to verify their good design and effective operation and thus ensure that they evolve in line with changes in organisational structures, operational processes and information systems. Monitoring activities in the Terna Group are divided into:

- line monitoring;
- independent monitoring.

Line monitoring is entrusted to the company structures that perform first-level controls, while independent monitoring is carried out by the company structures involved in second-level controls according to their specific areas of competence. In particular, monitoring activities aim to identify any material deficiencies that may cause a material alteration of financial reporting. Once the shortcomings have been identified, a corrective action plan to address them is drawn up and monitored. The results of the monitoring activities are reported on a regular basis as part of the review of the control system, which involves all levels of the organisation.

UNI PDR 104 Certification

The adequacy of Terna's organisational structure and the system of internal controls over administrative and accounting processes for Terna S.p.A. and its subsidiaries was strengthened by its obtaining the "UNI Pdr 104/2021" certification in 2023, which is valid for five years.
The "UNI Pdr 104/2021" standard certifies the compliance of Administration, Finance and Control services with the requirements of regulatory best practice, confirming Terna's strong governance in all administrative and fiscal aspects and their control processes. The certification also reflects the work carried out to refine its financial reporting procedures, as well as the high level of professionalism and reliability of Terna's staff involved in administrative, financial and control tasks.

Administrative Structure

The administrative structure refers to the **financial statements** (in particular: the financial statements of the Parent Company Terna S.p.A. and of the other Group companies and the consolidated financial statements) and to the **planning and control tools/systems used by the Group companies** (Terna's Industrial Plan, in addition to the other reporting tools available to the Terna Group companies), as well as the **system of provisions, procedures and practices** that govern preparation of the financial statements. These tools provide key ex ante indicators for understanding the likely future development of the company's situation, the relevant variables and the levers available to management. The indicators also make it possible to monitor ex post, also on the basis of the elements provided by the accounting subsystem (accounting structure), the differences between forecasts and final results in the financial statements.

With regard to the provisions, procedures and practices, the subsidiaries to which services are provided have adopted the Group's administrative procedures, consisting mainly of the recognition and measurement criteria to be used and the information to be provided when preparing the financial statements, the annual report and the interim reports, in compliance with the relevant regulations and accounting standards. Companies with independent management comply with the Group's administrative regulatory system, as described in particular in the instructions for the Reporting Package.

The framework for these rules is the Administrative and Accounting Policy, which sets out the guidelines, rules and principles of governance regarding the proper administrative and accounting structure of Terna Group companies, such as the segregation of duties, transparency, compliance with tax regulations, adherence to accounting standards, traceability, confidentiality, the handling of inside information, in addition to those set out in the Code of Ethics.

The administrative structure is completed by the assessment of the foreseeable evolution of operations for each Terna Group company, supported by the tools available to management (plans, financial statements and reporting) and supplemented by the presentation in the report on the correct structure of specific crisis indicators pursuant to art. 13 of the Business Crisis and Insolvency Code

Accounting Structure

Terna S.p.A.'s accounting structure is closely linked both to the ability of the company's accounting system (which is based on automated and computerised procedures, as described in more detail below) to prevent, or at least promptly identify, errors or irregularities, and to its ability to fully and accurately record operational events in the accounts and financial statements.

In this context, the accounting structure comprises the procedures adopted by the Terna Group in its accounting activities and the digitisation of processes through the use of the SAP platform for the automation of controls; for non in-service companies, other suitable IT tools are employed for the same purpose.

The scope is completed by a selection of indicators relevant to the understanding of the characteristics, weight and issues of all the Terna Group companies' accounting structure, distinguishing between indicators common to all the companies and those specific to each company's core business.

Section III
Compliance

At the Board of Directors' meeting of 27 January 2021, the Company adopted the Corporate Governance Code, which is available to the public on the website https://www.borsaitaliana.it/comitato-corporate-governance/ codice/2020.pdf

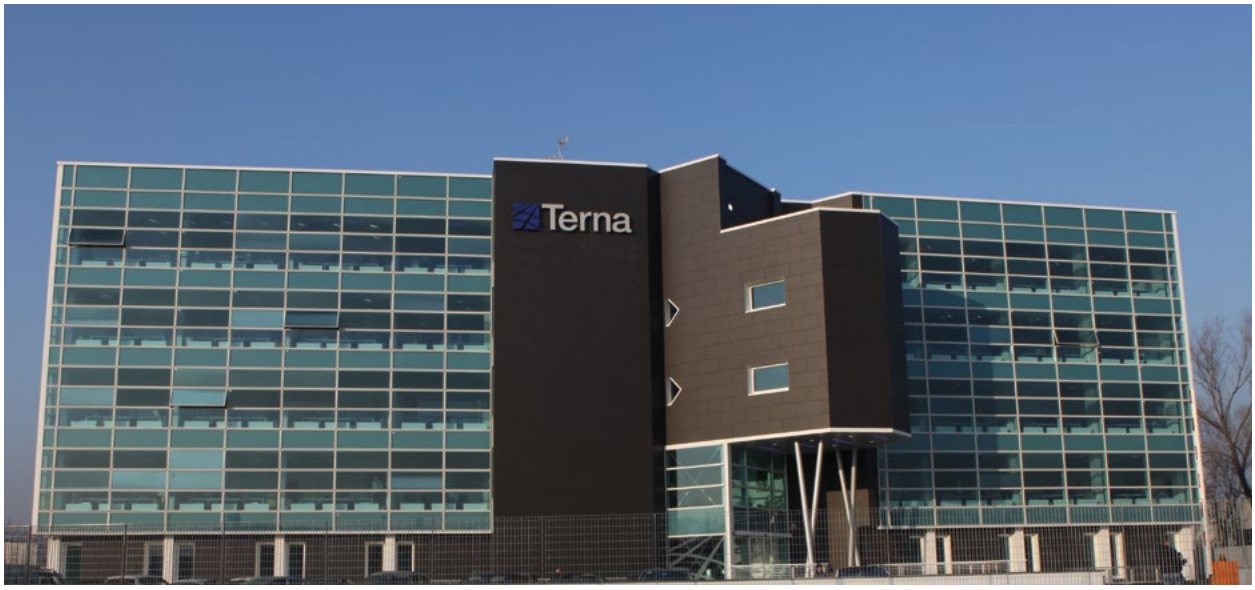
In 2021, although it has a set of rules and procedures in line with the best governance standards, the Company aligned its model with the new recommendations of the Code, carrying out an in-depth update and review of internal governance documentation in order to fully and effectively implement the new recommendations. This report illustrates the specific ways in which the Company has applied the recommendations contained in the Code.

In particular, the Company has updated the procedure concerning the "Criteria for assessing independence", extending its application also to the members of the Board of Statutory Auditors.

The Company has had Terms of Reference for the Board of Directors since 2019. The document was updated on 28 July 2022, 13 December 2023 and 21 January 2025. On the other hand, the Terms of reference of the Board Committees and the Related-Party Transactions Committee were updated in 2021, in order to align them with the new Corporate Governance Code and in light of the new Consob regulatory provisions in force as of 1 July 2021. The Terms of reference of Board Committees have been revised during the current term of the Board, with the favourable opinion of the relevant Committee, as described below.

As of 14 October 2021, the Company has also adopted an engagement policy aimed at identifying the methods, timing and role regarding dialogue with shareholders and other relevant stakeholders.

The Company is not subject to non-Italian legislation influencing its corporate governance structure.



Section IV
Board of Directors

Role of the Board of Directors

In addition to what is described below, with reference to the requirements set forth by ESRS 2 GOV-1, paragraphs 19 and 20 and ESRS 2 GOV-2, paragraphs 24, see what has been reported with reference to ESRS 2 GOV-1, paragraphs 21, 22, 23 and ESRS 2 GOV-2, paragraph 26, within the Annual Report, in particular the paragraph "Corporate Governance and Sustainable Success" within the Sustainability Report.

The Board of Directors leads the Company, pursuing its sustainable success; it defines its strategies and identifies the most suitable corporate governance system for carrying out the Company's activities and implementing its strategies. It is responsible for execution of the strategic and organisational policies of the Company and the Group, as well as for ensuring that the necessary controls are in place to monitor the performance of the Company and its subsidiaries.

The Terna Group considers it consistent with its mission, with the values of its Code of Ethics and with its commitment to sustainable development, to adopt and embed sustainability objectives in its strategy. On 15 December 2021, the Board of Directors therefore adopted the "Sustainability Policy", i.e., the tool through which Terna identifies, manages and communicates the "pillars" of its sustainability culture. The objectives of the Policy are (i) identification of the methods for defining the Group's sustainability strategies; (ii) increasing awareness of key topics and expected results; (iii) dissemination of a culture of sustainability inside and outside the Company.

The document sets out Terna's formal and public commitment to adopting sustainable conduct and actions in relation to the main sustainability frameworks (the SDGs and the National Integrated Energy and Climate Plan, or NECP) and to the ESG topics considered material for the Group. Furthermore, the commitments defined in the Policy support the management and mitigation of ESG risks to which the Terna Group is exposed.

In particular, with the Sustainability Policy, Terna is committed to adopting and embedding sustainability objectives in its strategy, in line with the topics found to be material in the Materiality assessment and selected from the Sustainability Goals, supporting the management and mitigation of ESG risks. The Policy outlines Terna's main sustainability-related commitments, as follows:

- enabling the ecological transition;
- integrity, responsibility and transparency;
- engaging in dialogue with stakeholders;
- the empowerment of people;
- inclusion, diversity and protection of human rights;
- protecting the environment and ecosystems.

The Sustainability Policy applies to all Terna Group companies, including those operating overseas; Terna is committed to promoting awareness of the Policy among its employees and to providing public evidence of it to all stakeholders through dedicated tools, including the documents related to the Sustainability Statement.

The Board of Directors also promotes, in the most appropriate forms, dialogue with shareholders and the Company's other significant stakeholders. As will be better described in section XV "Relations with shareholders", in line with the recommendations of the Corporate Governance Code, the Board of Directors, at its meeting of 14 October 2021, adopted, on the proposal of the Chair, a "Policy for engagement with the generality of shareholders and other stakeholders of Terna" (hereinafter also the "Engagement Policy").

In particular, the Engagement Policy intends to pursue the following objectives:

- to identify and describe the ordinary channels of direct and continuous communication and information between the Company, shareholders and other stakeholders, managed by the competent corporate departments or carried out during General Meetings;
- to promote, among the current ordinary forms of engagement, a report to the Board of Directors on the main communication and information activities with major shareholders and institutional investors;
- to introduce and regulate Shareholder-Director Engagement, consisting of direct dialogue between Directors and stakeholders interested in such engagement, following the introduction of procedures on how to carry it out, its scope, the criteria for assessing requests, as well as the related internal governance processes and procedures for participation and internal reporting.

Any future revision of the Engagement Policy will take into account any contextual developments, monitoring the related guidance.

In addition to exercising the powers granted to it by law, the Company's Articles of Association (art. 21.2), as permitted by law, grant the Board the authority to adopt resolutions otherwise reserved for the General Meetings of shareholders. These include resolutions amending the Articles of Association, as previously described in the sub-section, "Amendments to the Articles of Association".

Within the limits of art. 2381 of the Italian Civil Code, the Board of Directors may delegate its duties to an executive committee and/or to one or more of its members (art. 22.1 of the Articles of Association).

In this context, in compliance with the law and the provisions of specific resolutions and taking into account the provisions of the Corporate Governance Code (art.1, Recommendation 1), the Board of Directors has assumed responsibility for a series of decisions that are necessary or useful to pursue the corporate purpose.

In particular, it examines and approves the Industrial Plan of the Company and of the Group it heads, also based on an analysis of the matters relevant to the creation of long-term value. The current structure of powers within the Company provides, in particular, that the Board of Directors is responsible for approving the Company's annual budget and long-term plans (which also include, in aggregate form, the annual budgets and long-term plans of subsidiaries). In this regard, on 19 March 2024, the Board of Directors approved the new 2024-2028 Industrial Plan. The update of the 2024-2028 Industrial Plan was approved by the Board of Directors on 25 March 2025. On a date to be scheduled in the second half of the current year, the Board of Directors will meet to update the multi-year Industrial Plan.

With respect to the planned activities, the Board provides specific guidelines, a description of the objectives, characteristics and application methods of the monitoring of corporate processes and risk analysis, and defines the nature and level of risk compatible with the Company's strategic objectives, including assessments of any risks that may be significant in terms of the long-term sustainability of the Company's activities. In this regard, reference should be made to Section XI.

The Board of Directors also defines the Company's corporate governance system and the structure of the Group that it manages, and assesses the adequacy of the organisational, administrative and accounting system of the Company and its strategically important subsidiaries. This is done during its review of the related internal procedures submitted to the Board and when adopting resolutions on the various matters brought to its attention, with particular reference to the internal control and risk management system. At the date of approval of this Report, the Board of Directors has assessed the adequacy of the organisational structures.

The Board is also responsible for drawing up, on the basis of the proposals made by the Remuneration Committee, the Company's policy on the remuneration of the members of management and oversight bodies, general managers and key management personnel, which is then put to a binding vote by the Annual General Meeting of shareholders, and determines, on the basis of recommendations from the Remuneration Committee and/or in consultation with the Board of Statutory Auditors, where provided for, the remuneration of the Chief Executive Officer and other Directors with specific powers. These matters are reported on annually in the first section of the "Report on the Remuneration Policy and Remuneration Paid", pursuant to art. 123-*ter*, paragraph 3-*ter* of the CLF. In this regard, reference should be made to Section IX. The Board of Directors is also responsible for setting, on the basis of the proposals made by the Remuneration Committee, the general criteria for the remuneration of senior management and the incentive plans for which the approval of the Annual General Meeting is required. With the support of the Remuneration Committee and Nominations Committee, it prepares the second section of the "Report on the Remuneration Policy and Remuneration Paid" pursuant to art. 123-*ter*, paragraph 4 of the CLF which it submits to the non-binding vote of the Annual General Meeting of shareholders pursuant to art.123-*ter*, paragraph 6 of the CLF. In order to ensure the proper management of corporate information, it adopts, on the proposal of the Chair in agreement with the Chief Executive Officer, a procedure for the internal management and external communication of documents and information concerning the Company, with particular reference to inside information. In this regard, reference should be made to Section V.

With particular reference to the Internal Control and Risk Management System (as described in Section XI below), the Board defines the guidelines on the proposal of the Chief Executive Officer and subject to the opinion of the Audit and Risk Committee. An assessment of the adequacy of the Terna Group's Internal Control and Risk Management System, in terms of the Company's nature and risk profile, as well as its effectiveness, is carried out at least once a year, having previously consulted the Audit and Risk Committee. In this regard, reference should be made to Section XI.

The Board of Directors examines and approves transactions that have a significant impact on the Company's financial position and results, especially if they are related party transactions or could otherwise give rise to a potential conflict of interest. This is without prejudice to the powers assigned to the Chief Executive Officer for particularly urgent matters. In particular, in addition to the specific provisions of the special procedure regarding Related Party Transactions and the steps taken to identify and manage situations in which Directors have their own interests or third-party interests regarding a transaction submitted to them (reference should be made to Section XII "Directors' interests and related party transactions"), "significant transactions", including those concluded through subsidiaries identified via an appropriate internal Board procedure ("Approval of significant transactions and management of conflict of interest situations", updated on 31 March 2011 and, specifically with regard to the management of conflict of interest situations, latterly on 23 June 2015) following approval by the then Audit, Risk and Corporate Governance Committee – now called the Audit and Risk Committee – are subject to prior approval or prior examination (in the case of transactions pertaining to companies directly and/or indirectly controlled by Terna) by the Board of Directors. Such transactions include: (i) transactions which, due to their purpose, amount and terms and conditions may have an impact on the Company's ability to safeguard the value of its assets or the completeness and accuracy of Terna's disclosures, including accounting information, and as such oblige Terna to publish information in compliance with the requirements of financial market regulators and/or (ii) transactions with a value of more than €50 million, except for those provided for in previously approved budgets or financial plans, as well as those regarding dispatching and all the related services. In this regard, there is a specific requirement for the Board of Directors to be duly informed about the procedures for implementing significant transactions, the related financial terms and conditions and assessment procedures, the underlying interests and rationale and any risks to which Terna and its subsidiaries may be exposed as a result of the transactions.

The Board may also seek advice from one or more independent experts regarding the financial conditions and/or the related implementing and technical procedures. Board resolutions regarding intra-group transactions should be based on an assessment of the appropriate grounds for and benefits of a transaction. In accordance with the current corporate governance structure, the Board of Directors is also entitled to pass resolutions regarding, among others, the following matters: the agreement of any form of medium- to long-term loan or borrowing with a value of more than €100 million, when not already approved as part of a budget or financial plan, and not to be used to finance initiatives already approved by the Board in relation to the National Transmission Grid Development Plan and/or the Strategic Plan; and the provision by the Company of sureties and real security amounting to more than €30 million per transaction, when not already approved as part of a budget or financial plan. The Board of Directors is constantly and fully informed, together with the Board of Statutory Auditors, by the Chief Executive Officer, in accordance with art. 21.3 of the Articles of Association, regarding the activities carried out in exercising the authority granted to her, and with regard to the Company's operating performance, outlook and significant transactions. In particular, with regard to all significant transactions carried out by the Company and its subsidiaries, the Chief Executive Officer reports to the Board of Directors on (i) the nature of the transaction and (ii) the parties involved and any relations they may have with the Company or its subsidiaries.

The Board of Directors assesses, after consulting the Board of Statutory Auditors and after hearing the opinion of the Audit and Risk Committee, the findings set out by the independent auditors in their letter of recommendation, if any, and in their report on key matters arising from the independent audit.

Lastly, the Board of Directors reports to the General Meeting of shareholders, as required by current legislation. In this regard, reference should be made to Section XVI.

Composition

As of 9 May 2023, following the Annual General Meeting of Shareholders, called, *inter alia*, to re-elect the administrative and supervisory bodies, the Board of Directors was composed as follows: Igor De Biasio (Chair), Giuseppina Di Foggia (CEO), Enrico Tommaso Cucchiani, Angelica Krystle Donati, Simona Signoracci, Francesco Renato Mele, Regina Corradini D'Arienzo, Gian Luca Gregori and Qinjing Shen (Directors elected from slate "1" which was the second most voted, submitted by CDP Reti S.p.A.), Marco Giorgino, Anna Chiara Svelto, Jean-Michel Aubertin and Karina Audrey Litvack (directors elected from slate "2", submitted by a group of shareholders consisting of asset management companies and other institutional investors, and which was the most voted). Following the resignation of Director Francesco Renato Mele, submitted on 27 May 2025 and effective upon the appointment of his successor, which occurred on 24 June 2025, non-executive independent Director Stefano Cappiello, was appointed by co-optation by the Board of Directors following the proposal submitted by the shareholder CDP Reti S.p.A. by letter dated 29 May 2025. Subsequently, on 29 July 2025, the Board of Directors appointed by co-optation non-executive independent Director Paolo Damilano to replace Director Enrico Tommaso Cucchiani, who had tendered his resignation on 28 May 2025, effective upon the appointment of his successor. The co-optation took place following acceptance of the proposal submitted by the shareholder CDP Reti S.p.A. on 7 July 2025.

Six members of the Board are women and seven are men.

As to the independence requirements, ten out of the current thirteen Directors **qualify** as such pursuant to the CLF and the Corporate Governance Code, as specified in the section on **"Independent Directors"**.

The Board of Directors provides for the presence of a Chair, elected by shareholder resolution adopted at the Annual General Meeting of 9 May 2023 pursuant to art. 16 of the Articles of Association. The Board also consists of a sole executive Director, the Chief Executive Officer, appointed by the Board of Directors on 9 May 2023 pursuant to art. 22 of the Articles of Association, as more thoroughly specified below in the section “Executive Bodies”.
Terna’s directors have adequate skill and professionalism (Article 2. Principle 5, Corporate Governance Code). Specifically, alongside legal and financial professionals, there are profiles with expertise in engineering, energy, sustainability and risk management. The international scope is ensured not only by the presence of members of foreign nationality, but also by members who have gained solid experience in international contexts. In addition, beyond the Chief Executive Officer, certain professionals working in the sector also possess IT skills. With particular reference to the topic of sustainability, the Board of Directors, in addition to the expertise already possessed by its members, concerning, among other things, the material impacts, risks and opportunities of the company, may make use of experts or take part in specific induction activities (ESRS 2 par. 23).

A brief description of the professional profiles of Terna’s Board members is provided below.

IGOR DE BIASIO
Chair
Born in Milan
on 18 November 1977

Married, with three children.

Since 9 May 2023, he has been the Chair of Terna, and since 30 July 2024, he has also been the Chair of the Terna Foundation.

Since July 2019 he has been the Chief Executive Officer of Principia S.p.A. (formerly Arexpo S.p.A.). In 2020 he led the company to pre-tax profit for the first time in the company's history and closed all subsequent annual accounts in profit.

He graduated in Political Science from the University of Cattolica in Milan at the age of 23 (110/110). He then obtained four post-graduate specialisations: in Marketing and Digital Economics (Cattolica of Milan), in Marketing (Bocconi), in Design Thinking (Polytechnic of Milan) and in Business Finance (IMD Business School, Lausanne).

After gaining several years of management experience in multinational consultancy firms, at the age of 35 he was appointed as a director of Philips S.p.A. where he took on international responsibilities for the Mediterranean area, and at age 39 he became Sales Director of Europe, Africa and the Middle East for Moleskine.

From July 2018 to October 2024, following a parliamentary appointment, he served as a Board Member of RAI.

In 2022 he was joint director of the “Government and Regional Development: Public and Private Partnership” Executive Programme at LUISS together with Professor Giovanni Orsina. In December 2022, he was appointed Officer of the Order of Merit of the Italian Republic by the President of the Republic.

GIUSEPPINA DI FOGGIA

Chief Executive Officer and General Manager
Born in Rome
on 16 July 1969

Chief Executive Officer and General Manager of Terna since 9 May 2023. Since 30 July 2024 she has also been the Honorary Chairperson of the Terna Foundation, established to promote a culture of energy education that involves young people, combats energy poverty, and facilitates access to the job market in the energy sector.

Between April 2020 and May 2023, she was CEO and Vice President of Nokia Italia, a company with over 100 years of experience producing telecommunications devices, providing telecommunications services, and researching and developing optical networks, microwave technology and artificial intelligence.

Appointed as a Cavaliere del Lavoro [Knight of Labour] of the Italian Republic in 2021 for her commitment to Information and Communication Technologies, in the same year, she was named by Forbes Italia one of 100 women united by leadership and creativity distinguished for their commitment, tenacity and skill. Furthermore, she was recognised at the Forbes CEO Italian Awards 2021 as CEO of the year in the TLC category. In 2022, she received the Margutta Prize, a symbol of creativity and intellectual productivity in the entrepreneurial sector.

After earning a master's in electronic engineering at La Sapienza University of Rome and passing the State examination to qualify as an engineer, she earned a second master's in professional program management at the Stevens Institute of Technology in New Jersey in the United States and completed specialist courses and general management programmes at SDA Bocconi Business School in Milan and the Luiss Business School in Rome.

With thirty-year of research and development, project management, and operational and strategic management experience gained in various countries, she began to work on research and development projects funded by the European Union to design and implement the third generation (3G) mobile network, before joining Lucent Technologies Bell Labs Innovations in 1998 — later becoming Alcatel-Lucent in 2006 and then Nokia in 2016 — where she held various senior management positions across all areas of the company.

Giuseppina Di Foggia is member of the Board of Directors of Luiss Business School (May 2022) and of Tor Vergata University of Rome (May 2025). She is also an Academic Fellow in the Department of Legal Studies at Bocconi University in Milan within the LL.M. Programme in "Law of Technology and Automated Systems" (2026). Previously, she was Chair of the Board of Directors of GPI SpA; member of the board of the Executive MBA of LUMSA University; member of the Foreign Investors Advisory Board of Confindustria; member of the Board of Directors of Cefriel, the Research, Innovation and Training center of the Politecnico di Milano; member of the General Board of Anitec-Assinform and of the Governing Board of Assolombarda; member of the Advisory Board of Sole24Ore Formazione, of B20 Italy and of B7 Italy 2024. Furthermore, she held the position of Vice President of GO15, the international association of Very Large Power Grid Operators.

Having always nurtured an interest in young people and employment, in recent years she has promoted and supported various programmes aimed at improving digital literacy and introducing students to STEM subjects, as well as promoting school-work programmes.

She is married and has two children.

STEFANO CAPPIELLO

Director

Born in Rome
on 10 March 1973

Member of Terna S.p.A.'s Board of Directors since 24 June 2025.

After graduating with honours in Law from the University of Rome "La Sapienza", he obtained a Master's degree in Law and Economics from the University of Chicago, a PhD in Market Law from the University of Tuscia, and was a visiting scholar at New York University.

In 2012 he obtained the national scientific qualification as associate professor in economic and business law, topics on which he has published numerous papers in Italian and international scientific journals, and teaches at the Law School of "Roma Tre" University.

He has over twenty-five years of professional experience, during which he held management positions in national (Bank of Italy, Ministry of Economy) and European institutions (European Banking Authority, Single Resolution Board, European University Institute). He is currently Head of Directorate V – "Regulation and supervision of the financial system" – at the Department of the Treasury of the Ministry of Economy and Finance, with responsibilities including regulation, supervision and crisis management in the banking, capital markets and insurance sectors, payment systems, sustainable finance, anti-money laundering and cyber-resilience. In these areas, he has served, and continues to serve, on national committees (Fintech; Sustainable Finance; Financial Security; Edufin) and international committees (Financial Stability Board; OECD; G7), chairing some of them.

REGINA CORRADINI D'ARIENZO

Director
Born in Turin
on 30 May 1969

Since 9th May 2023, she has been a member of the Board of Directors of Terna.

She holds a Master's degree in Strategic Psychology, completed studies in Business Administration at the University of Turin, and earned a Master in Bank Management from Bocconi University in Milan.

In June 2022, she was appointed Chief Executive Officer and General Manager of SIMEST S.p.A., a company of the CDP Group that supports the growth of Italian companies abroad through the internationalization of their activities. In October 2025, she was reconfirmed as Chief Executive Officer and General Manager of SIMEST S.p.A., positions she currently holds.

Previously, she worked at BNL from 2013, holding several roles including North-West Corporate Regional Director and Director of the Corporate Banking Division. A member of BNP Paribas' G100 and of the Group's Cash Management Governance Board and Trade Finance Strategic Board, she also held positions in several BNP Paribas Group companies, including Board Member of Arval S.p.A., Vice Chair of Ifitalia S.p.A., and Chair of BNP Paribas Leasing Solutions S.p.A.

At Banco Popolare, between 2012 and 2013, she served as Head of the Corporate Division, after having held the role of Head of the Corporate Division and Director for the Turin and Province Area at Banca Popolare di Novara (2008–2011).

From 1990 to 2008, she worked at Banca San Paolo IMI (now Intesa Sanpaolo), becoming Head of the Marketing and Commercial Service within the Corporate Division of the Retail Banking Network.

At SIMEST, she helped activate three lines of instruments to support business development and the internationalization processes of Italian companies, in particular: subsidized financing to support companies aiming to expand their business abroad and investing in competitiveness, digitalization, and sustainability; and direct foreign investments, through which SIMEST acts as a minority partner, also supporting joint ventures with local partners. She also expanded SIMEST's operations by introducing two new public equity funds to support the international growth of SMEs and infrastructure projects in strategic areas.

Regarding sustainability, she established new lines at SIMEST dedicated to sustainable investments of Italian companies, with earmarked resources for female and youth entrepreneurship as well as for Southern Italy. Financial instruments were created to strengthen human capital, particularly training courses for young Africans within the framework of the "Mattei Plan." At SIMEST, she also defined sustainability pathways focused on high-impact social initiatives at the local level, such as the Don Bosco and Sant'Egidio Community initiatives, and, in collaboration with the Vatican, projects supporting children and mothers in difficulty.

Finally, with the aim of reducing the economic impact of energy costs and strengthening the international competitiveness of Italian companies, she recently launched - again at SIMEST- dedicated terms to support energy-intensive exporting companies or those that have undertaken energy-efficiency initiatives, within the main subsidized finance measure "Digital or Ecological Transition." The objective is to support companies in making new investments in process innovation, technology development, ecological transition, and the achievement of certifications.

She has been a member of Terna's Board of Directors since 9 May 2023.

With a BSc in Management from the London School of Economics and Political Science in 2006, she earned an MBA from Oxford University in 2010.

Chair of ANCE Giovani from 2021 to December 2025 and an entrepreneur and manager in the construction sector, she was a member of the Finance & Infrastructure Task Force of the B20 in 2021 and 2022.

Member of the Steering Committee of the Observatory for 'Riparte l'Italia' since 2021. She is also a member of the Corporate Advisory Board of the Executive MBA that POLIMI GSoM organises in collaboration with John Cabot University, a member of the JRP Costruzioni Advisory Board since 2025 as well as a member of the Permanent Steering Committee (CIP) of the Department of Civil Engineering, Computer Science and Aeronautical Technologies (DICITA) of the University of Roma Tre and a member of Banco BPM's Advisory Committee for Central and Southern Italy since 2025.

In 2018, she was selected by Capital among the top 100 thirty-year-olds representing the future of the Italy's leadership class. In 2020, she won the "Donna dell'Anno" award at Real Estate Awards. In 2022, she was included by Forbes Italia in the list of "100 Donne Vincenti"; in 2023, she received the "Premio America" from the Italy-USA Foundation and in 2025 she won the prestigious Minerva Anna Maria Mammoliti Award for entrepreneurship. Managing Director of Donati S.p.A and CEO of Donati Immobiliare Group, an international property development firm. She is also Advisory Partner for Concrete VC (venture capital fund for PropTech).

Donati S.p.A. has obtained the following certifications: ISO 9001, ISO 20400, ISO 30415, ISO 39001, ISO 45001, ISO 14001, SA8000, ISO 37001, ISO 50001, EMAS, ESG Criteria, UNI/PdR 125.

She worked at Goldman Sachs from 2006 to 2009. After the MBA, she held the position of Retail Marketing Manager at Ralph Lauren and then she started working in the family company.

She collaborates as a columnist with Forbes, AGI and Property Week, Advisory Partner.

ANGELICA KRYSTLE DONATI

Director

Born in Los Angeles (USA)
on 16 September 1985

MARCO GIORGINO

Director
Born in Bari
on 11 December 1969

Since May 2019, he has been a member of Terna S.p.A.'s Board of Directors and is also Chair of the Audit and Risk Committee (previously also Sustainability) and a member of the Related-Party Transactions Committee.

An economist by training, he has been a full professor at the Politecnico di Milano since 2004, where he holds the Chair of Financial Markets and Institutions and Financial Risk Management.

After a degree at the Bocconi University in the Academic Year 1990/91, his academic career developed at the Politecnico in Milan where he has gained over thirty years of experience in the field of research and training, and has coordinated numerous projects that have allowed him to publish over one hundred and fifty national and international publications on banking and financial topics and, more recently, on governance and risk management, both for industrial and financial companies, and on the topic of digital innovation and sustainability in banking and financial services.

In 2015 he founded the Fintech & Insurtech Observatory of the Politecnico di Milano and has been its Scientific Director since then.

He has held and still holds positions on Boards of Directors, including as Chair of Board Committees and Boards of Statutory Auditors of leading industrial, financial and banking companies, including entities subject to European banking supervision, as well as on supervisory boards.

In the past, he was a member of the Boards of Banca MPS, also as Chair of the Risk Committee and Lead Independent Director, of Luxottica and Mediolanum Gestione Fondi Sgr.

He also was an Independent Director and Chair of the Risk Committee at Mediobanca. He has been a speaker at over 200 conferences and seminars on corporate finance, market finance, corporate governance, risk management, digital innovation in banking and financial services, sustainability.

He is a board member of the NED Community and Chair of NED Value.

He is one of Il Sole 24 Ore's "Le Nostre Firme" and a regular commentator on television (RAI, SKY, CLASS CNBC).

QINJING SHEN

Director
Born in Haining, Zhejiang (China)
on 22 July 1978

Mr Shen has been a member of the Board of Directors of Terna S.p.A. since 26 January 2022.

He is currently a Board Member of CDP Reti S.p.A., SNAM S.p.A. and Italgas S.p.A., as well as the Director General of the State Grid Corporation of China European Representative Office and the Deputy General Manager (Vice President) of China Electric Power Research Institute (CEPRI).

From 2016 to 2021 he was Director of the Business Development & Strategy Department at State Grid International Development (SGID) Co. LTD, where he was previously Deputy Director between 2013 and 2016, as well as Project Manager between 2008 and 2013.

SGID established State Grid Brazil Holding (SGBH), which has been involved in power transmission projects including Phase II of the Belo Monte UHVDC Transmission line. As part of the construction process for the electrical infrastructure, a group of professionals incorporated a plan for the protection of plants and animals, especially endangered species. Over 95% of the animals and over 25% of plants had been saved from deforestation at project completion. The reforestation plan then made it possible to ensure the biodiversity of the ecosystem in the affected area.

From 2003 to 2008 he worked as an engineer at the Dispatching Communication Centre of Zhejiang Electric Power Company (a subsidiary of State Grid Corporation of China).

He graduated in engineering and electrical power systems from Zhejiang University in China.

PAOLO DAMILANO

Director
Born in Turin
on 20 November 1965

Member of Terna S.p.A.'s Board of Directors since 29 July 2025.

He has over ten years of experience in business, during which he has held top management roles in a number of companies across a variety of product sectors operating both in Italy and abroad, such as Chief Executive Officer and Chair of the Board of Directors of Damilano Gruppo S.p.A. and Pontevecchio S.r.l., Sole Director of Damilano immobiliare s.r.l. and Itaca s.r.l., Chair of the Board of Directors of Morra s.r.l., Pastificio Defilippis s.r.l. and White s.r.l. and Chair of the Board of Directors of the following publicly owned foundations: Film Commission Torino Piemonte, Museo nazionale del Cinema and Barolo & Castles foundation, performing key activities within the board.

Since November 2021, he has been a City Councillor for the Municipality of Turin, serving as Leader of the civic list "Torino Bellissima".

GIAN LUCA GREGORI

Director

Born in San Benedetto
del Tronto (AP)
on 4 June 1961

He has been a member of Terna's Board of Directors since 9 May 2023.

He graduated with honours from the "Giorgio Fuà" Faculty of Economics at the Polytechnic University of the Marche Region, where he was Full Professor of Economics and Business Management, Director of the Department of Management, Director of the Doctoral School and Chair of the Faculty of Economics; he was previously Vice-Rector and in 2019 was elected Rector of the Polytechnic University of the Marche Region.

Author of more than 210 publications on management topics, he has held numerous university teaching positions, including International Marketing and Business Marketing. He is a Chartered Accountant, Statutory Auditor, Sustainability Auditor, and Lecturer in Strategic Sustainability Management. He is a member of various scientific societies.

He has participated, also as coordinator, in numerous national and international research projects on economic and management aspects with reference to different types of company. He has collaborated and still collaborates with companies in various sectors and also with business associations.

He is currently a member of the Board of Directors of the CRUI Foundation and Adjunct Professor of Business Administration at Henan University, Chair of the Board of Directors of Webuild S.p.A., member of the Advisory Board of the Italian Marketing Society, and a Senior Fellow at Luiss Business School.

SIMONA SIGNORACCI

Director
Born in Mondolfo (PU)
on 30 June 1960

She has been a member of Terna's Board of Directors since 9 May 2023.

She graduated with honours in Political Science, specialising in Administration, from the Faculty of Law of the University of Urbino and holds an MBA from the Business School of the University of Turin, Faculty of Engineering. During these years she attended numerous seminars abroad (Boston University and Toronto University).

She is currently President of Vises ETS, the Foundation of Federmanager, and a member of the Board of Directors of Q Academy. She also collaborates with several businesses.

From 2009 to 2020 she worked at Telecom Italia where she was responsible for institutional and stakeholder relations, as well as regulatory matters with the authorities: Consob, Isvap, Agcom, and the Data Protection Authority. From 2015 and for about three years, she also held the position of Executive Chair of a consortium company then formed by Telecom Italia, Vodafone and Wind. The company was liquidated in 2018.
Between 2008 and 2012 she was Chair of the Gigi Ghirotti National Foundation for mental health care in the home, and has collaborated with Ania, the international Red Cross and the Vicariate of Rome. In 2008 she founded the Telecom Foundation where she held the roles of Executive Vice Chair and Chair.

From 1997 to 2008 she worked in the Mediolanum Group where she created a different model of integrated communication between the world of finance and that of the media, during the listing of the Mediolanum Group on the Stock Exchange and the transformation of Sim Programma Italia into a bank. She served as director of external, institutional and regulatory relations in Italy and abroad. She was responsible for foreign acquisitions in Spain, Germany and Ireland, and developed the Joint Venture with Mediobanca which led to the creation of Banca Esperia. She created and chaired the Mediolanum Foundation. During these years she was also a member of numerous national and international committees and held seminars on strategic and financial communication at the Luiss University in Rome.

From 1990 to 1996, she managed European projects for the Milan Chamber of Commerce on the transfer of technological skills to help Italian small and medium-sized enterprises.

From 1987 to 1990, she worked at Fininvest Comunicazioni, analysing and studying new digital technologies in the television sector. After benchmarking the business plan in France and the United States, she contributed to the birth of Tele Più, Italy's first pay-TV channel.
More recently she has been a lecturer on the Master's programme at Link University and is currently a guest lecturer on the Master's programme in Strategic Planning at the Faculty of Economics of La Sapienza University in Rome.

In the course of her professional career she has developed skills and in-depth knowledge of ESG criteria for transformative and inclusive sustainability, as well as digital skills in the banking and insurance sectors, television and VOD platforms. She has also worked on the study of technological innovation applied to oversight: artificial intelligence to support the investigative activities of authorities and related cybersecurity risks, the digital divide, artificial intelligence and privacy challenges in healthcare. She worked on Expo 2015 and the organisation of the opening week of the 2006 Winter Olympics in Turin. Finally, she has contributed to and sponsored numerous initiatives of national and international importance.

KARINA AUDREY LITVACK

Director
Born in Montréal (Canada), on 7 December 1962

She has been a member of Terna's Board of Directors since 9 May 2023.

Holding degrees in Political Economics from the University of Toronto and in Finance and International Business from the Columbia University Graduate School of Business, she is an Ambassador and Founding Chair of the Climate Governance Initiative and a member of the Advisory Board of Hawkamah, Institute of Corporate Governance, Member of the Senior Advisory Board of EverMetal Recycling Fund.

A director of Eni from May 2014 to May 2023, her long career has included membership of the PaineWebber Incorporated corporate finance team (1986-1988), the Extractive Industries Transparency Initiative Board (2003-2009), the London Stock Exchange Primary Markets Group (2006-2012) and the CFA Institute Board of Governors (2019-2022).

She was also a Member of the International Advisory Committee of Transparency International (2022-October 2024), Member of the CEO Sustainability Advisory Panel of SAP AG (2010-2017), Member of the Stakeholder Advisory Panel of Lafarge SA (2003-2014), Member of the Key Opinion Leaders Board of Groupe Danone (2011-2014), Member of the Sustainable Development Panel of Veolia (2008-2010), Member of the External Citizenship Advisory Committee of ExxonMobil and Member of the Independent Advisory Panel of IPIECA (2010).

She served as Project Manager of the New York City Economic Development Corporation (1991-1993). In 1998, she joined F&C Asset Management as Director in charge of governance and sustainable investments (1998-2012). She was Non-Executive Chair of the Sustainability Committee of the Board of Viridor Waste Management (2020-2022).

ANNA CHIARA SVELTO

Director
Born in Milan on 29 October 1968

She graduated with honours in Law from the University of Milan in 1992 and is qualified to practice as a lawyer. Professional with over 25 years of experience in corporate governance, corporate law, sustainability (ESG) and extraordinary transactions.

From 2016 to 2018 she was Chief General of UBI Banca S.p.A. From 2000 to 2016 she worked in the Pirelli Group, where, as Director of Corporate Affairs and Compliance and Secretariat to the Board of Directors, she played an active role in the most important transactions of the Pirelli Group and also contributed to the growth of an advanced corporate governance model of the company. Prior to this, she worked in the Legal Affairs Department of Edison S.p.A. and was Head of Legal and Corporate Affairs at Shell Italia S.p.A. Since 2014 she has held Board directorships in several major listed companies including Enel S.p.A. (2014-2023), Astm S.p.A., Brunello Cucinelli S.p.A., Technoprobe S.p.A. and Avvale S.p.A. She is currently a board member of Credito Emiliano S.p.A., Interpump S.p.A., Industrie De Nora S.p.A. and Edizione S.p.A.
With a particular focus on ESG experience, Board Member Svelto, in addition to being a lawyer and corporate governance expert, is a member of the Sustainability Committee of Interpump S.p.A.

She is on the list of Global Board Ready women promoted by the Professional Women Association, is included in the Bellisario Foundation's One Thousand Excellent Curricula (Mille Curricula Eccellenti) list and was listed by StartupItalia as one of the top 150 "Unstoppable women". She is married and has two children.

He has been a member of the Board of Directors since 18 May 2020 and a member of Terna's Audit and Risk Committee and Sustainability, Governance and Scenarios Committee since 9 May 2023.

He holds an engineering degree from the Ecole Nationale Supérieure de l'Aéronautique et de l'Espace and an Executive MBA from the Centre de Perfectionnement aux Affaires, and has extensive experience in corporate transformations, international business development and the management of global operations (Europe, Asia, United States).

Since July 2018, he has held the position of Operating Advisor at Clayton, Dubilier & Rice, one of the leading private equity firms in the United States.

From 1994 to the present, his experience includes the roles of CEO of CG Power Systems in Belgium and Doosan Power Systems Ltd in the UK; General Manager of Alstom Energy & Environment Systems Group in Switzerland and President of the Telecommunications Satellite Division, EADS Astrium in the UK.

JEAN-MICHEL AUBERTIN

Director
Born in Nice
on 16 February 1958

On its election and at least annually thereafter, the Board of Directors verified that each of its members met the necessary integrity and professionalism requirements and those provided for under art. 15.5 of the Articles of Association in relation to the provisions of unbundling legislation.

Fulfilment of the independence requirements by each of the non-executive members was verified, taking into account the information provided by each individual, at the time of their election. The check was then conducted annually, most recently at the meeting of 26 March 2026, in the manner described below in the sub-section, "Independent Directors" (art. 2, Recommendation 6 of the Corporate Governance Code).

The annexed Table 2 provides information on the composition of the Board of Directors at the end of the financial year (art. 2 of the Corporate Governance Code and art. 123-*bis*, paragraph 2(d) of the CLF).

Diversity criteria and policies in Board composition and company organisation

In addition to what is described below, with regard to ESRS 2 GOV-1, paragraph 21, see also the Annual Report.

Terna manages all its activities with a sustainable approach, having its cornerstones in the Company's mission and Code of Ethics. In concrete application of the guidelines set out in the Code of Ethics, Terna adopts recruitment, development and remuneration systems for personnel that recognise and reward merit and performance. Any and all forms of discrimination, starting from the Company's recruitment process, are expressly prohibited.

These values also serve as a reference for the members of Terna's Board of Directors and Board of Statutory Auditors. With this in mind – as set out in the above sub-section of Section II "Election of Directors, related requirements and terms of office" – Terna's Board of Directors, at its meeting on 20 February 2018, on the recommendation of the then Nominations Committee and the Audit, Risk, Corporate Governance and Sustainability Committee, and in agreement with the Board of Statutory Auditors, resolved to adopt diversity policies, with reference to the composition of the Board of Directors, considering aspects such as age, seniority, gender, geographical origin and professional and management training (the so-called "Diversity Policy for Terna's management and control bodies", hereinafter also the "Policy" or the "Diversity Policy").

In drawing up these policies, Terna had taken into account: (i) the nature and complexity of the Company's activities, the social and environmental context in which the Company operates, the experience gained by the Board with regard to the way the Board and its Committees operate and the related activities; (ii) the results of the self-assessments carried out in recent years; (iii) the provisions of art. 123-*bis* CLF; and (iv) the "Guidelines on non-financial reporting (Methodology for reporting non-financial information)" published by the European Commission on 5 July 2017 (Communication 2017/C 215/01).

On 1 March 2023, Terna's Board of Directors, with the positive opinion of the then Nominations Committee and the Audit, Risk, Corporate Governance and Sustainability Committee, updated the Policy, in order to:

- achieve formal alignment with the 2020 version of the Corporate Governance Code formally adopted by the Company on 27 January 2021;
- achieve formal alignment with the Italian Consolidated Law on Finance and the Issuers' Regulation issued by Consob;
- incorporate the results of the Board Review process carried out by the current Board during the last term of office;
- incorporate the results of the benchmark analyses conducted on the Diversity Policies of Terna's peers.

The "Diversity Policy" is intended for:

- Shareholders, who, pursuant to the law and the Articles of Association, wish to submit slates of candidates for election to the Board of Directors;
- the Annual General Meeting of Shareholders called to elect the Board of Directors;
- the Company's outgoing Board of Directors, for it to provide guidance to shareholders on the size and composition of the new Board of Directors, and in the event that – when re-electing the Board of Directors - it should wish to submit its own slate of candidates, as permitted by art. 14.3 of the Articles of Association;
- the Company's Board of Directors, as well as its Shareholders, in the event that – during their term of office – a member of the Board of Directors has to be replaced pursuant to art. 2386 of the Italian Civil Code.

The objective of the Policy is to ensure that the qualitative and quantitative composition of the Board of Directors and the Board of Statutory Auditors is such as to enable the effective performance of duties and responsibilities. This is to be done by ensuring the presence of people with an adequate diversity of points of view and with the expertise necessary to understand the current state of the business and the long-term risks and opportunities to which the Company is exposed.

At its meeting on 26 February 2026, the Board of Directors, after review by the Remuneration and Nominations Committee and the Sustainability, Governance and Scenarios Committee, decided, also as part of the Board Review, not to make substantial changes to the document approved in 2023. Moreover, the contents of the document are referred to in the Guidelines for shareholders on the qualitative and quantitative composition of the Board of Directors, both at the time of the General Meeting to renew the Board of Directors of 9 May 2023, and in preparation for the Meeting to renew the Board on 12 May 2026; the Guidelines were published on the Company's website on 9 March 2026 and disclosed to the market.

The main provisions of the Policy relating to the diversity aspects considered by the Board of Directors are set out below:

- **Professionalism/management skills, independence, competence and experience**

  The Policy invokes application of provisions concerning the requisites of professionalism and management skills already adopted in the Articles of Association (specifically in art. 15.3), as well as provisions in the Articles of Association regarding the independence of Directors and the principles of management neutrality and impartiality

(articles 15.4 and 15.5). The Policy also expressly refers to recommendations set forth in the Corporate Governance Code relating to both independence requirements and the skills and experience required of members of the Board of Directors and board committees. In addition to the foregoing, it is hoped that the Board of Directors will ensure a combination of diversified skills and experience in the following sectors: business, generally in the electricity and energy sector; corporate governance, legal and corporate affairs, contracts, litigation, and tenders; digital, cybersecurity, artificial intelligence, innovation; finance, debt, investment; internal control system, risk assessment and management, and sustainability.

It is likewise hoped that all Directors will have adequate knowledge of at least the English language, sufficient to correctly understand written texts and, at any rate, to ensure the possibility of deliberating resolutions on the basis of documents written in English.

- **Age and seniority in office**

  The presence of people of different ages and seniority on the Board of Directors is deemed useful in helping to ensure the right balance of experience, continuity, innovation and risk appetite.

- **Gender**

  Within the Board of Directors, adequate representation of both genders must be ensured, also pursuant to the Articles of Association and the Corporate Governance Code. In particular, the Board of Directors must be consisting of at least two-fifths of persons belonging to the "least represented" gender.

- **Geographical origin and international experience**

  The presence of Directors with an international educational and professional background is recommended to further enhance the quality of board discussions, also considering the Terna Group's international presence.

Again with respect to diversity, the Corporate Governance Code has emphasised the need to address issues around gender balance, recommending that companies adopt measures to promote equal treatment and opportunities within the entire organisation and monitor their concrete implementation (art. 2, Recommendation 8).

In 2021, the Company adopted specific guidelines in the new "Diversity & Inclusion Policy", with the aim of formalising Terna's commitment to promoting and protecting diversity, and to preventing and punishing any form of discrimination and harassment based on gender, age, sexual orientation, nationality, disability, political opinions, religious beliefs and any other personal characteristic. At the meeting of 24 January 2024, after receiving the favourable opinion of the previous Nominations, Governance and Scenarios Committee of 16 January 2024, the Board of Directors updated the document, approving the "Diversity, Equity and Inclusion" Policy, which incorporates the contents of the aforementioned Guidelines of May 2021 and further strengthens Terna's commitment to promoting conditions that allow for the removal of cultural, organisational and material obstacles that limit the full potential of people and their full development within the organisation.

Maximum number of positions in other companies

All Directors accept their appointment when they deem that they can devote adequate time to their office to discharge their duties diligently.

To this end, in February 2007, Terna's Board of Directors adopted the "Guidance concerning the maximum number of offices that may be held by Terna's Directors", requiring Terna Directors to take such guidance into account when accepting their appointment.

The document, which has been refined over time, was most recently updated at the Board meeting of 1 March 2023, after hearing the views of the then competent Board committees, to align it with the changes introduced by the Corporate Governance Code and to take into account the lessons learnt during the previous Board's term of office as well as the guidelines followed by peers.

For the purposes of assessing the number and quality of other positions held on the boards of directors and of statutory auditors of other companies, in line with the recommendation of the Corporate Governance Code, the document distinguishes between "listed companies" and "large companies".

To this end, "large companies" have been defined as:

a) Italian or foreign companies with shares not listed on regulated markets operating in the insurance, banking, brokerage, asset management or financial sectors; and

b) other Italian or foreign companies with shares not listed on regulated markets which, though operating in sectors other than those listed above in point a), have net assets exceeding €1 billion.

Due to the importance of assuming the office of director, which requires an adequate amount of time to diligently perform the duties assigned, the revision of the document enabled the reinforcement of a principle, already in use in the Company, relating to the minimum attendance required of an individual Director.

As a result, it was established that the average level of attendance at Board meetings by Terna's Board of Directors' members must not be less than 80% of the Board meetings held during the year. The aforementioned percentage of attendance also applies to the meetings of Board Committees. Furthermore, in the event that the above percentages are not reached in the individual Committees and in the Board of Directors, the Board of Directors will decide whether to relieve the Director of their role in Committees in order to ensure their full attendance and proper functioning.

The document also aligned the definition of "Executive Director" with the definition provided for in the Corporate Governance Code establishing that Executive Director means:

- the Chair of the company or of a strategic subsidiary, when he is vested with management powers or strategy-setting powers;
- directors who are vested with management powers and/or hold management positions in the company or in a strategic subsidiary, or in the parent company when the position also concerns the company;
- directors who are members of the company's executive committee and, in companies adopting the two-tier model, directors who are members of the body vested with management duties (for Italian companies adopting the two-tier model, members of the Management Board).

The Board therefore identified general criteria that vary according to the workload associated with each role, namely Executive Director and/or Chief Executive Officer, non-executive independent Directors, and non-executive non-independent Directors. In order to determine the commitment required, a "weighting" has been assigned to each position, and it was established that the role of Chief Executive Officer and/or executive Director at Terna S.p.A. is incompatible with the same role in listed companies or in other large companies.

With regard to the maximum number of positions that each Terna Director may hold in the management and control bodies of other listed or large companies, in addition to their position within the Board of Directors of Terna S.p.A. or in the boards of directors of companies directly and/or indirectly controlled or owned by Terna S.p.A., the revised document has:

- decreased the maximum overall "weighting" of such offices held;
- increased the "weightings" attributed to management and oversight roles - held by the Chief Executive Officer, the executive Director and other Terna S.p.A. Directors - in listed companies and large companies.

All Directors in office hold a number of positions compatible with the guidelines established by the Board.

The short biographies for each Director indicate all the positions they hold. The number of positions held as a director or statutory auditor in other large companies is provided in the annexed Table 2.
There have been no exemptions granted by Terna's shareholders to the non-competition obligations undertaken by Terna's Directors, as provided for in art. 2390 of the Italian Civil Code.

On 26 February 2026, the Board of Directors, with the support of the Remuneration and Nominations Committee and the Sustainability, Governance and Scenarios Committee, resolved not to make any substantial changes to the document. Moreover, the contents of the document are referred to in the Guidelines for shareholders on the qualitative and quantitative composition of the Board of Directors, both at the time of the General Meeting to renew the Board of Directors of 9 May 2023, and in preparation for the Meeting to renew the Board on 12 May 2026; the Guidelines were published on the Company's website on 9 March 2026 and disclosed to the market.

MAXIMUM NUMBER OF POSITIONS AS DIRECTOR OR STATUTORY AUDITOR THAT DIRECTORS MAY HOLD IN OTHER COMPANIES, BASED ON THE POSITION HELD AT TERNA

The additional offices held by each Director of Terna S.p.A. - whether executive or non-executive - in the boards of directors and boards of statutory auditors of other listed companies or large companies must have an overall **"weight" of no more than 10**, determined by multiplying the number of offices by the relevant coefficient in the following table. When calculating the number of offices, the offices held by Terna S.p.A. directors in the Board of Terna S.p.A. or in the Boards of Terna S.p.A.'s directly or indirectly held subsidiaries or investees are not taken into account.

	WEIGHTS OF OFFICES HELD IN LISTED OR LARGE COMPANIES AS REFERRED TO IN POINTS (A) AND (B)							
OFFICE HELD IN TERNA	CEO IN LISTED COMPANIES	CEO IN LARGE COMPANIES	EXECUTIVE DIRECTOR IN LISTED COMPANIES	EXECUTIVE DIRECTOR IN LARGE COMPANIES	NON-EXECUTIVE AND INDEPENDENT DIRECTOR AND/ OR STATUTORY AUDITOR IN LISTED COMPANIES	NON-EXECUTIVE AND INDEPENDENT DIRECTOR AND/ OR STATUTORY AUDITOR IN LARGE COMPANIES	NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR IN COMPANIES WITH LISTED SHARES	NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR IN LARGE COMPANIES
EXECUTIVE DIRECTOR AND/OR CHIEF EXECUTIVE OFFICER	n/a	n/a	n/a	n/a	10	8	5	3
NON-EXECUTIVE AND INDEPENDENT DIRECTOR	10	5	5	5	2.5	2.2	2	1.8
NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR	10	5	5	5	2	1.8	2	1.8

Induction Programme

The Corporate Governance Code recommends that the Chair ensures that all members of management and oversight bodies participate, after their appointment and during their term of office, in initiatives aimed at providing them with adequate knowledge of the sectors in which the company operates, of corporate dynamics and their developments. This is also done with a view to assuring the sustainable success of the company, as well as of the principles of proper risk management and of the regulatory and self-regulatory framework of reference (art. 3, Recommendation 12(d)).

The current Board following the appointment in 2023 attended induction sessions designed to provide a deeper understanding not only of the Company's governance but also, amongst other things, of regulated and unregulated business, international operations and financial matters. During 2024, the induction sessions covered: i) how the WACC works; ii) the adequacy of the energy system; iii) health and safety at work; iv) digitalisation and cybersecurity; and vi) sustainability. During 2025, the following induction sessions were held:

- on 15 May 2025, a session focused on the Terna Group's non-regulated activities through presentation of the work carried out by the Market Solutions Department;
- on 24 June 2025, a session on strengthening the culture of health and safety in the workplace, with particular reference to the "Safety Excellence" programme, including for contractors' staff;
- on 13 October 2025 a session on cybersecurity, with a focus on the contents of the NIS 2 Directive and its impacts on the Terna Group.

On 8 October 2025, an induction session was held for the Board Members co-opted by the Board of Directors to give them an in-depth overview, among others, of the Terna Group's regulated and unregulated business, economics, the Development Plan and corporate security.

Board of Directors' activities

The Corporate Governance Code recommends that Boards of Directors draw up rules and procedures governing how they function so as to ensure effective management of pre-meeting information (art. 3, Principle IX). Subsequent recommendations also call for the adoption of rules governing the board's operating procedures and its committees, as well as for adequate disclosure in the Corporate Governance Report of the main contents and compliance with procedures relating to the timeliness and adequacy of information provided to Directors (art. 3, Recommendations 11 and 12). On 18 December 2019, Terna's Board of Directors adopted the "Procedure of Terna S.p.A.'s Board of Directors" (the "Procedure"), designed to govern the Board itself.

By adopting the Procedure, the Company was a step ahead of the recommendations of the new Corporate Governance Code. In particular, the Procedure defines in a comprehensive manner the role, activities and organisation of the meetings of the Board of Directors. It also provides indications to ensure the correct management of corporate information and the related documentation as well as the adequacy of information flows to the Board.

In fact, the Company intends to enhance the information provided to the Board of Directors, not only in quantitative but also in qualitative terms, in order to facilitate "informed" and "collective" participation in Board meetings.
The Procedure regulate the organisation of Board meetings, the provision of information and related documentation to Directors and the management of information flows to the Board of Directors.

In particular, in keeping with this principle, the above Procedure set out specific deadlines for the proposal and receipt of agenda items to be discussed by the Board in order to ensure that all the necessary information is collected in a timely and clear manner, also taking into account the Company's need for confidentiality. The supporting documentation for the items on the agenda is exclusively made available to the Directors in a dedicated IT platform with confidential access, at least five days before the date scheduled for the meeting. Departments ensure that this timeline is adhered to by making documentation available to board members. Such access is not permitted for Directors who have declared the existence of a conflict of interest, to the extent that the issue at hand relates to the conflict.

Should the documentation contain information deemed relevant or insider pursuant to legislation in force, then the head of Legal and Corporate Affairs, that is the individual in charge of the register, enters the names of the Directors in the specific section of the register (Insider List or Relevant Information List), noting the related requirements and restrictions. This way, information is provided in a timely manner, whilst safeguarding the Company's interest in preventing potential instances of market abuse.

During meetings, each Director is provided with a tablet computer containing all necessary and appropriate documentation relating to discussions.

Moreover, in order to facilitate comprehension of the documentation and optimise the participation of all Directors, including those who are not Italian nationals, Terna provides interpreters to offer real-time translations during Board meetings, above all for the Director of Chinese nationality.

In detail, in addition to the information flows provided for by regulation and Company procedures, the Board of Directors receives periodic reports relating to the possible evolution of the energy system; on strategic transactions, projects and initiatives and on the related progress; on meetings held with stakeholders and, on a half-yearly basis or following a particularly important meeting, on the outcome of the dialogue conducted, ordinarily, with major shareholders and institutional investors, also in implementation of the Engagement Policy. In any event, the Board of Directors may decide to request information from Company departments also in relation to other matters deemed to be particularly important.

In order to take into account the practical experience gained during the Board's term of office, the Board of Directors, in its meeting of 27 July 2022, resolved to revise and update the document, now called "Board of Directors' Terms of Reference" of Terna S.p.A., in keeping with the recommendations of the new Corporate Governance Code.

Without prejudice to the above-mentioned contents, the proposed revisions met three objectives:

(i) to ensure formal alignment with the Corporate Governance Code in order to give full disclosure within this Report on Corporate Governance and Ownership Structures;

(ii) to allow better consistency of the content of the text with the aforementioned documents, which have already been aligned with the new recommendations in the Corporate Governance Code;

(iii) to incorporate the practices developed during the Board of Directors' term of office.

Generally speaking, the proposed changes were designed to improve the way the Board of Directors operates, enabling "informed" and "collective" decision-making with the priority aim of creating long-term shareholder value and pursuing sustainable success, taking into account the interests of the Company's key stakeholders.

In essence, the main changes made to the text of the Terms of Reference concerned:

i. with respect to the composition of the Board of Directors (art. 3.1 of the Terms of Reference), the explicit reference to:

- the qualitative and quantitative criteria for assessing the significance of relationships that could compromise the independence of Directors (see "Application criteria and procedure for assessing independence", pursuant to art. 2 of the Corporate Governance Code);
- the Diversity Policy, approved by the Board of Directors at its meeting of 20 February 2018 and updated on 1 March 2023, in compliance with art. 2, Recommendation 8 of the Corporate Governance Code;
- the possibility for the outgoing Board of Directors to issue guidance to shareholders on the optimal qualitative and quantitative composition (art. 4, Recommendation 23 of the Corporate Governance Code) as well as on the maximum number of positions on the boards of directors or statutory auditors of listed companies or large companies that may be considered compatible with the effective performance of the duties of a Director of the Company (art. 3, Recommendation 15 of the Corporate Governance Code);

ii. adaptation of the Board of Directors' responsibilities to the recommendations of the Corporate Governance Code and market best practices (art. 3.1. of the Terms of Reference). Such responsibilities include but are not limited to:

- definition of the Company's strategies and the monitoring of their implementation through the approval of the Industrial Plan and identification of the nature and level of risk consistent with the strategic objectives in pursuit of sustainable success (art. 1, Recommendation 1, sub-paragraphs a, b and c of the Corporate Governance Code);
- adoption, at the proposal of the Chair, in agreement with the Chief Executive Officer, of an "Engagement Policy" (art. 1, Recommendation 3 of the Corporate Governance Code);
- the adequate internal allocation of its functions and the establishment of Board Committees tasked with fact-finding, making recommendations and providing advice (art. 3, Principle XI and art. 3, Recommendation 16 of the Corporate Governance Code) and the allocation of specific budgets (art. 3, Recommendation 17 of the Corporate Governance Code);

iii. adaptation of the responsibilities of the Chair of the Board of Directors to the recommendations of the Corporate Governance Code - in particular art. 1, Recommendation 3 and art. 3, Recommendation 12 - and to best market practices, emphasising their role in liaison between the Chief Executive Officer and any other Directors (art. 3.2 of the Terms of Reference). To this end, it was clarified that the Chair ensures that the pre-meeting information and additional information provided during meetings are suitable to enable the Directors to act in an informed manner and guarantee collective decision-making. Furthermore, it should be noted that the Chair, with the assistance of the Secretary, must ensure the adequacy and transparency of the Board Review process with the support of the relevant Committee;

iv. with regard to the manner in which Board of Directors' meetings are held (art. 3.6 of the Terms of Reference), the provision that:

- in emergency situations, where the Board meeting is expected to be held remotely, indication of the location of the meeting in the notice calling the meeting or in the relevant minutes is not necessary;
- in such extraordinary cases it is not necessary for the Chair and the Secretary to the meeting to be in the same place, notwithstanding the provisions of the Articles of Association;

v. the inclusion of certain clarifications regarding the Board Review (art. 3.8 of the Terms of Reference), and in particular the provision that such review:

- should be concerned with the size, composition and effective functioning of the Board of Directors and its Committees, also considering the role played by the Board in defining strategies and monitoring operations and the adequacy of the Internal Control and Risk Management System, in compliance with art. 4, Recommendation 21 of the Corporate Governance Code;
- might take place through different methods (use of questionnaires, meetings and/or individual interviews) or through a peer-to-peer review mechanisms, in line with art. 4, Recommendation 22 of the Corporate Governance Code.

The Terms of Reference also incorporated certain practices adopted by the Company during the current Board's term of office, in particular:

- allocation, in line with the approach adopted in the Terms of Reference for Board Committees, of a budget for individual Board Committees, with the clarification that for the Related Party Transactions Committee there is no cap on expenditure (art. 3.1 of the Terms of Reference);
- the provision that individual Board meetings, at the suggestion of the Chair, in agreement with the Chief Executive Officer, are usually attended by the Head of General, Legal and Corporate Affairs and the Chief Financial Officer, and that the Heads of Group' companies, or other persons external to the Company and the Group, whose presence is deemed useful in providing expertise regarding items on the agenda, may be invited to attend them (art. 3.4 of the Terms of Reference);
- reference to annual calendars for Committee meetings (art. 3.4 of the Terms of Reference);
- reference to the practice that allows other members of the Board of Directors to participate in Committee meetings and all Board members to have access to the documentation prepared for the meetings of individual Committees (art. 3.4 of the Terms of Reference);

- the bringing forward, from ten to fifteen days before the Board meeting, of the date of the meeting between the CEO, their staff, the Head of General, Legal and Corporate Affairs and the Secretary of the Board of Directors, as well as any other Heads of corporate departments indicated by the CEO, in order to review possible proposals to be submitted to the Board of Directors, and the bringing forward, from seven to ten days before the Board meeting, of the date of the meeting between the CEO, the Chair, the Head of General, Legal and Corporate Affairs and the Secretary in preparation for sending the notice of the meeting (art. 3.5 of the Terms of Reference);
- provision, when the Board is re-elected, of support activities on governance matters to the Chair as well as dedicated induction sections (art. 3.9 of the Terms of Reference).

At its meeting on 13 December 2023, the Board of Directors approved certain further amendments including: (i) changes of a formal nature resulting from the different allocation of responsibilities among the Board Committees and the consequent changes in their names; (ii) an increase in the percentage of attendance of Board members at Board and Board Committee meetings from 75% to 80%.
The Secretary to the Board of Directors is responsible for taking the minutes of the meetings, which are drafted in such a way as to reflect the discussions of the Board of Directors.

The documents attached to the minutes, once entered in the meeting book, remain available for inspection at the request of each of the Directors and members of the Board of Statutory Auditors. The documents accompanying the minutes remain available to Directors and Auditors in the IT platform with confidential access dedicated to the meetings.

The most recent revisions to the Board of Directors' Terms of Reference were approved on 21 January 2025, following the opinion of the Sustainability, Governance and Scenarios Committee and, in addition to changes of a formal nature, concerned the adaptation of the document in line with the new structure of the Board Committees.

In 2025, the **Board of Directors held 9 meetings that lasted an average of approximately 166 minutes each, which were duly attended by the Directors (98% overall) and the Board of Statutory Auditors (100.00%)**. The meetings were also attended by Company senior managers, whose presence was considered to be of assistance in providing better information on the items on the agenda. The attendance of each Director at the meetings held during the 2025 financial year is shown in the annexed Table 2.

For the current financial year, all Board meetings relating to the examination of the financial and operational data by the Board of Directors have been planned and scheduled as communicated to the market on 29 January 2026.
In the current financial year, up to the date of approval of this Report, the Board of Directors has held 4 meetings.

Role of the Chair of the Board of Directors

In order to avoid a concentration of responsibilities and to allow the Chair of the Board of Directors to perform their role of organising, managing and coordinating the Board in the best way possible, the Chair of the Board of Directors (hereinafter also the "Chair") is not usually granted executive powers.

The Chair liaises between executive and non-executive Directors and ensures that the Board Committees function smoothly.

On 9 May 2023, a resolution of the Board of Directors assigned specific corporate duties to the Chair, Igor De Biasio, in line with the approach adopted by the previous Board. To that end, the Chair is entrusted with representing the Company, leading and directing the work of the Board, performing a promotional and advisory role with regard to Corporate Social Responsibility, and overseeing activities relating to the investment in the company "CESI - Centro Elettrotecnico Sperimentale Italiano Giacinto Motta S.p.A.", in coordination with the Chief Executive Officer. Moreover, the Chair supervises Audit activities.

Pursuant to art. 25 of the Articles of Association, the Chair is the legal representative of the Company, chairs General Meetings of shareholders, convenes and chairs the Board of Directors, sets the agenda, coordinates its work and ensures that adequate information regarding agenda items is provided to all Directors. The Chair also oversees the implementation of Board resolutions.

In particular, in agreement and in coordination with the Chief Executive Officer and with support from the Secretary, the Chair ensures that sufficient time is allocated to items on the agenda to allow for constructive discussion, and also encourages contributions from Directors during the course of meetings.

The Chair, always in agreement with the Chief Executive Officer, encourages senior managers of Terna and Group companies and the heads of the relevant company departments to take part in Board meetings, so that they can provide expertise and clarifications regarding items on the agenda.

In order to facilitate the flow of information within the Board and to guarantee the "collective" nature of decisions, the Chair also ensures - including through the Secretary - that documentation relating to the Board's activities is made available to the Directors in a timely manner. If, in specific cases it is impossible to provide the necessary information well in advance, then the Chair must in any event ensure that adequate and detailed information is provided during Board meetings.

At each Board meeting, the duties of the Chair include an update on governance and sustainability matters.

As Chair of the Sustainability, Governance and Scenarios Committee, he also reports to the Board at the earliest possible opportunity on sustainability issues addressed by the Committee.

In implementation of the Policy for engagement with the generality of shareholders and other stakeholders of Terna adopted in 2021, the Chair, with the support of the Company Secretariat:

(i) is responsible for corporate governance matters in the Shareholder-Director Engagement area;

(ii) ensures that the Board of Directors is informed, at the earliest possible meeting, on developments in and the significant content of dialogue with all the stakeholders, inviting the CEO to report on the outcome of engagement activities for matters falling under his responsibility. The Chair must also inform the Board of Directors of developments in and the significant content of engagement activities carried out, as well as of any new requests received.

The content and method of implementation of the above Policy are described in Section XV of this Corporate Governance Report.

Role of Secretary

The role of Secretary to the Board of Directors is held by Prof. Andrea Sacco Ginevri, who is external to the Company and has outstanding expertise and experience in corporate law and corporate governance, as provided for by the Board of Directors' Terms of Reference.

As the party responsible for the correct management of information flows and with the support of the relevant Company department, the Secretary seeks to ensure that the relevant Company departments transmit information promptly, in order to facilitate discussion.

Likewise - in agreement with the Chair - the Secretary ensures that the Directors are informed of any legislative or regulatory changes relevant to the Company, such as, for example, those directly or indirectly regarding Terna and its activities as Transmission System Operator (TSO), and those regarding listed companies.

During Board meetings, the Secretary assists the Chair with the organisation and management of the meetings, providing legal and corporate governance support if necessary.

In order to enhance the reporting function of the Board of Directors, the Secretary draws up the minutes in such a way as to recall the illustrated documentation and represent the Board's discussions.

In line with the recommendations of the new Corporate Governance Code, the Secretary provides impartial assistance and consultancy to the Board regarding any aspect that is relevant to the correct functioning of the corporate governance system (art. 3, Recommendation 18).

It should be noted that following his election to the Board of Directors, the Board committees elected Prof. Andrea Sacco Ginevri as Secretary. During 2025, the role of Secretary of all the Board Committees was held by Lawyer Daniela Carria, Head of Corporate Affairs and Corporate Governance at Terna S.p.A.

Attendance policy

With regard to the task of organising the work of the Board, taking into account international best practices, as disseminated among companies listed on the Dow Jones Sustainability Index (including Terna), at a meeting on 20 February 2018, on the recommendation by the Audit, Risk, Corporate Governance and Sustainability Committee, the Board of Directors approved a "Policy regarding participation at meetings of the Board of Directors" ("Attendance Policy") aimed at facilitating the broadest possible participation of Directors at Board meetings. The policy specified that, in addition to the procedures for participation, including teleconferencing, as provided for in the Articles of Association, the scheduling of meetings should as far as possible be notified in advance, with the Board of Statutory Auditors also to be informed. The Policy was then updated on 1 March 2019.

Since 18 December 2019, in the interests of rationalisation, the attendance policy has been included in the "Procedure of Terna S.p.A.'s Board of Directors", then updated on 28 July 2022 e now called "*Board of Directors' Terms of Reference*".

As illustrated in greater detail in the previous paragraph, "Maximum number of positions in other companies", the Board of Directors - at its meeting of 1 March 2023, also pursuant to the opinion of the then Audit, Risk, Corporate Governance and Sustainability Committee - further strengthened the attendance principle, by requiring an average rate of attendance at Board meetings by members of Terna's Board of Directors of no less than 80% of the Board meetings held in the year, up from the previous 75%. This requirement was formalised in the "Guidance concerning the maximum number of offices that may be held by Directors of Terna S.p.A."

The heightened requirement also applies to Board Committees.
Lastly, with a view to making individual Directors more responsible, failure to comply with the required attendance, whether at Board or Board Committee meetings, entitles the Board of Directors to relieve the Director of their role in any Committee of which he or she is a member.

The increase in the attendance percentage was included in the Board of Directors' Terms of Reference when the resolution of 13 December 2023 was approved.

Executive bodies

In carrying out its functions, Terna's Board of Directors provides for one Chief Executive Officer ("CEO") to whom the Board assigned authority with a resolution dated 9 May 2023 defining the content, limits and procedures for exercising such authority.

No Executive Committee has been established.

The CEO has the authority to act as the Company's legal representative and is vested with the broadest possible powers for management of the Company, pursuant to the above Board resolution, excluding only those matters reserved by law or by the Articles of Association to the Board of Directors, as described in this section under "Role of the Board of Directors".

The CEO reports to the Board of Directors and the Board of Statutory Auditors, on at least a quarterly basis and on the occasion of Board of Directors' meetings, on the Company's activities and performance, as well as on the decisions taken in exercising his authority pursuant to art. 21.3 of the Articles of Association.

As of the date of this Report, there are no instances of cross directorship: Terna's CEO does not hold any directorships in companies outside the Terna Group, of which another Director of Terna is Chief Executive Officer.

Other executive Directors

With the exception of the Chief Executive Officer Giuseppina Di Foggia, the other members of the Board of Directors are all non-executive (art. 2, Principles V and VI of the Corporate Governance Code).

The Chair, Igor De Biasio, likewise does not hold an executive position, as he has not been assigned individual authority for executive decisions, nor does he have a specific role in determining corporate strategy (Art 3, Principle X of the Corporate Governance Code).

In this context, the separation of roles between Terna's Chair and the Chief Executive Officer strengthens the impartiality and fairness required of the Chair of the Board of Directors.

Non-executive Directors (as they do not have executive powers and/or management functions within the Company) make significant contributions to the adoption of Board resolutions and ensure effective monitoring of operations.

Independent Directors

A requisite number of non-executive Directors, with the appropriate expertise, also qualify as independent (10 Directors out of 12). Whilst independence characterises the activity of all the Directors, whether executive or non-executive, the presence of Directors qualifying as "independent" in compliance with the independence requirements set out by the law, the Articles of Association and the Corporate Governance Code, and whose role is significant both within the Board itself and Board Committees, suitably ensures adequate consideration of all shareholders' interests.

In February 2007, the Company therefore adopted a specific internal procedure, setting out the criteria for assessing the independence of its non-executive Directors and confirming the requirements referred to in the Articles of Association and the Corporate Governance Code ("Application criteria and procedure for assessing the independence of Directors pursuant to art. 3 of the Corporate Governance Code"), in keeping with the provisions of the Corporate Governance Code then applicable. This is described in the above Section II under "Election of Directors, related requirements and term of office".

Following adoption of the Corporate Governance Code, the Board of Directors of the Company modified the independence requirements, providing full disclosure in the 2022 corporate governance report.

With specific reference to independence, the new Corporate Governance Code defines as "independent" non-executive directors who do not have, or have not recently had, directly or indirectly, such relations with Terna or persons connected with Terna as would affect their current independence of judgement.

Art. 2, entitled "*The composition of corporate bodies*" - Recommendation 7 - lists the circumstances that compromise, or appear to compromise, the independence of a director.

Recommendation 9 specifies that "*All members of the oversight body must meet the independence requirements set out in Recommendation 7 for directors*".
Moreover, the independence of a director (and therefore of a statutory auditor) is jeopardised if the director is a close family member of a person who is in one of the situations referred to in Recommendation 7(a) to 7(g) of the Corporate Governance Code, including therefore the cases referred to in (c) and (d).

Therefore, in 2021, following an analysis performed in order to identify the actions to be taken to ensure the correct implementation of the new Code, including with regard to independence, a new document was then prepared, entitled "Application criteria and procedure for assessing independence, pursuant to art. 2 of the Corporate Governance Code". The document was approved by the Board of Directors on 26 January 2022, with the favourable opinion of the then Audit, Risk, Corporate Governance and Sustainability Committee dated 25 January 2022 and was adopted also by the Board of Statutory Auditors at its meeting of 15 February 2022.

On 26 February 2026, the Board of Directors, with the support of the Sustainability, Governance and Scenarios Committee, resolved not to make any substantial changes to the document. Moreover, the contents of the document are referred to in the Guidelines for shareholders on the qualitative and quantitative composition of the Board of Directors, both at the time of the General Meeting to renew the Board of Directors of 9 May 2023, and in preparation for the Meeting to renew the Board on 12 May 2026; the Guidelines were published on the Company's website on 9 March 2026.

The document is more detailed and comprehensive than its previous version. In addition to identifying assumptions and objectives, it lists the conditions that may jeopardise independence; the text devotes an article to the figure of the Chair of the Board of Directors, where he or she is qualified as independent, and an article to the Board of Statutory Auditors because of the desired extension of the criteria.

The methods for assessing independence and the relevant assessment procedure are also described. An ad hoc article is dedicated to the meetings of directors who qualify as independent.

The heart of the procedure relates to a description of the criteria adopted by the Company to assess "materiality" and the mechanism for defining and measuring the parameters adopted. This is a key point that reflects what emerged from the letter from the Chair of Italy's Corporate Governance Committee dated 6 December 2021. Based on an analysis of the reports published during 2021, the letter highlighted that only a quarter of listed companies report such criteria.

Similarly, in the letter of 25 January 2023, the Chair of the Committee reiterated the importance of **defining ex ante** the quantitative parameters and qualitative criteria for assessing the significance of any commercial, financial or professional relationship and any additional remuneration for the independence of a Director and of **disclosing them** in the Corporate Governance Report.

In line with this approach, in incorporating the conditions that may compromise a director's independence, the Document defined the materiality of Commercial, Financial or Professional Relationships (art. 5) as well as the significance of Additional Remuneration (art. 6).

With reference to the materiality of **Commercial, Financial or Professional Relationships**, the Document provides (a) with regard to past relations, that commercial, financial or professional relationships with Terna or the companies controlled by it, or with the relevant executive directors or top management, as well as with a party who, also together with others through a shareholders' agreement, controls Terna or, if the controlling shareholder is a company or entity, with the relevant executive directors or top management that, in at least one of the three financial years prior to taking office, are, individually or cumulatively, for each financial year above 100% of the "Benchmark"[18], are normally qualified as material, and (b) that during their term of office, Directors must not ne party to any of the aforementioned Relationships in order to qualify as independent[19].

With reference to the materiality of **additional remuneration**, the Document establishes (a) that additional remuneration - meaning remuneration deriving from employment, administration or control - received by a Director, during one of the three financial years prior to that of taking office, by TERNA or its parent company or one of its subsidiaries is normally qualified as material if, individually or cumulatively, for each financial year, it is higher than the aforesaid Benchmark, and (b) that, during their term of office, Directors will not receive, from Terna, its parent company or one of its subsidiaries, additional remuneration that, individually or cumulatively, is higher than 40% of the aforesaid Benchmark[20].

[18] Pursuant to art. 5.1. of the Document "Application Criteria and procedure for assessing independence, pursuant to art. 2 of the Corporate Governance Code", "Benchmark" means the average remuneration received by non-executive directors for their office and for any participation in the committees recommended by the Corporate Governance Code or envisaged by the regulations in force during the last year of their previous term of office, calculated by the Corporate Affairs and Corporate Governance Department. For the purposes of calculating the "Benchmark", the Chair of the Board of Directors is not taken into account both with reference to the calculation of the number of directors and the amount received by him or her. Pursuant to art. 5.3 of the aforesaid Document, it should also be noted that, for the purposes of the aforesaid assessment of the materiality of commercial, financial or professional relations, in the case of a director who is also a partner in a professional firm or consulting company, the competent body considers the materiality of the professional relations that may have an effect on his position and role within the firm or consulting company, or that in any case pertain to important transactions of Terna and its Group, also independently of the Benchmark. With reference to the 2017-2019 three-year period, the Benchmark was equal to €104,562.85. With reference to the three-year period 2020-2022, the Benchmark was €97,727. With reference to the three-year period 2023-2025, the Benchmark was €105,575.34. This amount was reported in the document "Guidelines of Terna's Board of Directors to shareholders on the size and composition of the new Board of Directors" in order to facilitate the presentation of "independent" candidates.

[19] Pursuant to art. 5.5 of the same Document, it is clarified that, with reference to any commercial, financial or professional relations entertained by close family members of directors, the Benchmark is applied both with respect to commercial, financial or professional relations entertained by them during one of the three financial years preceding the relevant director's term of office, and in each of the financial years during which such director is in office.

[20] Pursuant to art. 6.3 of the Document, it should be noted that, with reference to the close family members of directors or statutory auditors, the Benchmark is applied both with respect to remuneration received during one of the three financial years preceding the year in which the term of office begins, and in each of the financial years during which the office is held. For the sake of completeness, it should be noted that the Document specifies that in assessing the independence of its members, the Board of Directors places substance over form. Based on this principle, it should be noted (a) that in any event, the Board of Directors retains the authority to consider the situation of the individual director in question on an individual basis and to qualify him or her as independent, where appropriate. In this case, the Board of Directors provides adequate and transparent information on the reasons for the disapplication of one or more criteria for each individual director concerned, ensuring that they are reported in the minutes of the meeting; the reasons for such assessment are also reported in the annual report on the Corporate Governance system (art. 7.2), and (b) that, with specific reference to the examination of material business, financial or professional relations or material additional remuneration, the Board of Directors may consider a director to be non-independent where, albeit in compliance with the criteria set out in the Document, the overall assessment of the circumstances represented and the additional elements available, also in consideration of the principle of substance over form, leads it to consider that the independence requirement is not met (art. 7.3).

On the one hand, the diversified thresholds adopted by the Company makes it easier for candidates to stand for election as a Director or Statutory Auditors, even though it sets an objective, strict standard; on the other hand, it precludes any relationship of a financial nature during the term of office, so as to prevent any occurrence likely to jeopardise the independence of Directors and Statutory Auditors.

Mindful of the difference between the two cases and above all recognising the usefulness of having a Group statutory auditor, the Company has accordingly decided to cap additional remuneration during the term of office at 40%.

Lastly, the document reiterates the power of the Board of Directors to assess in a concrete manner the situation of an individual Director or Statutory Auditor concerned and, if necessary, to classify him/her as independent. With specific reference to the examination of significant commercial, financial or professional relations or significant additional remuneration, the Board may assess a Director or a Statutory Auditor as non-independent if, while respecting the adopted benchmark, the overall assessment of the circumstances depicted and of the additional elements available, also in consideration of the principle of substance over form, leads to the conclusion that the independence requirement has not been met.

The new criteria have been implemented since 2022.

Finally, at a meeting on 26 March 2026, based on the information provided by the individuals concerned, the Board of Directors assessed the independence of its non-executive Directors, applying the aforementioned Application Criteria and art. 2, Recommendation 7 of the Corporate Governance Code, in addition to the document "Application criteria and procedure for assessing independence".

The assessments also concerned commercial, financial and professional relations as well as additional remuneration, as defined by the aforementioned document.

In particular, the Board of Directors proceeded to assess the independence requirements of its members in light of the Articles of Association, art. 147-*ter*(4) and art. 148, paragraph 3[21] of the CLF, required by art. 15.4 of the Articles of Association, as well as the independence requirements of the Corporate Governance Code (art. 2, Recommendation 7) incorporated in the document "Application criteria and procedure for assessing independence". **Chair Igor De Biasio** has been deemed independent both pursuant to art. 147-*ter*, paragraph 4 and art. 148, paragraph 3 of the Consolidated Law on Finance and pursuant to art. 2, Recommendation 7 of the Corporate Governance Code.

Directors **Angelica Krystle Donati, Stefano Cappiello, Gian Luca Gregori, Simona Signoracci, Marco Giorgino, Karina Audrey Litvack, Jean-Michel Aubertin, Anna Chiara Svelto e Paolo Damilano** were found to be independent pursuant to articles 147-*ter*, paragraph 4 and 148, paragraph 3 of the CLF and art. 2, Recommendation 7 of the Corporate Governance Code[21bis].

The Directors **Regina Corradini D'Arienzo** and **Qinjing Shen** were found to be non-independent pursuant to articles 147-*ter*, paragraph 4 and 148, paragraph 3, of the CLF and art. 2, Recommendation 7 of the Corporate Governance Code.

Correct application of the criteria and procedures adopted by the Board of Directors was, at the same time, verified by the Board of Statutory Auditors in application of the new procedure, which placed again such competence under the responsibility of the oversight body in line with the Q&As of the Corporate Governance Committee.

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[21] It should be noted that art. 13, paragraph 1-*bis*, second sentence, of Law no. 118/2025 states that "the term 'company' means exclusively entities, other than the State and public administrations, which hold shares as part of their business activities or for economic or financial purposes".

[21bis] As also stated in the Company's press release, published on 24 June 2025, the Director Stefano Cappiello <<*was found to meet the independence requirements pursuant to Articles 147-ter, paragraph 4 and 148, paragraph 3 of the Consolidated Law on Finance (CLF), as well as under the Unbundling regulations referred to in Article 15.5 of the Articles of Association. The Board of Directors of TERNA S.p.A., also due to a principle of substance, has in addition assessed the new Director as meeting the independence requirements set out in art. 2, Recommendation no. 7, of the Corporate Governance Code, as implemented by the Company in the document "Application criteria and procedure for assessing the independence", considering, based on a comprehensive assessment of the relevant subjective and objective aspects, that the employment relationship maintained by the same Director with the Ministry of Economy and Finance does not prejudice his autonomy and independence of judgment*>>.

The Board of Statutory Auditors also reported during the same meeting of 26 March 2026 on the existence of the independence requirement for all Statutory Auditors, pursuant to art. 2, Recommendation 9, of the Corporate Governance Code, which was verified during the meeting of 2 March 2026 in application of the Terms of Reference of the Board of Statutory Auditors.

Accordingly, the composition of the Board is also in line with the requirements of the new Corporate Governance Code, which recommends that, in large companies other than those with a concentrated ownership, at least half of the Board of Directors should be independent Directors (art. 2, Recommendation 4).

The number and expertise of independent Directors are also such as to ensure the appropriate composition of the Board Committees established by Terna in accordance with the Corporate Governance Code.

Given the composition of the Board of Directors, marked by a high number of independent Directors, and its working methods (described in the above sub-section, “Functioning of the Board of Directors”), and the significant participation of independent Directors in Board Committees, the Company has set up a system providing for a constant exchange of information among the independent Directors, both on the occasion of Board Committee meetings and full Board meetings.

With reference to the specific provisions of Terna’s Articles of Association, introduced in order to implement the unbundling legislation, the Board review, held on 26 March 2026, determined that all the Company’s elected Directors meet the independence requirements provided for in art. 15.5 of the Articles of Association. This article states that “the Company’s Directors may not hold, on penalty of disqualification, positions as a director, member of the supervisory board or of other bodies that legally represent a company whose business is the production or supply of electricity or gas”.

Lead Independent Director

The working methods and composition of the Board of Directors has assured the suitable coordination of the contributions and requirements of non-executive Directors and, in particular, of the independent Directors. It has also guaranteed the prior exchange of information, thus allowing the Board to work in an effective and productive manner and to focus on the real needs of the Company.

On this basis, as none of the conditions specified in the recommendations of the Corporate Governance Code (art. 3, Recommendations 13 and 14) apply, Terna has so far not appointed a Lead Independent Director.

Section V
Management of corporate information

As early as April 2004, in accordance with the provisions of the Corporate Governance Code in force at the time, the Company's Board of Directors had adopted a specific regulation for the internal management and handling of confidential information, also containing procedures for the external disclosure of documents and information concerning the Company and its subsidiaries, aimed at preserving the secrecy of confidential information, while ensuring correct, complete, adequate, timely and non-selective disclosures of company data to the market.

The regulations were then supplemented and amended on various occasions to take account of changes in the applicable regulatory framework occurring from time to time and changes in the Group's organisational and governance structure.

In particular, specific procedures have been established in relation to the disclosure of corporate documents and information to the public - especially regarding the disclosure of insider information - and to the methods used by people representing the Company in order to contact the press and other forms of mass media (or financial analysts and institutional investors).

Subsequently, on the entry into force of new European market abuse regulations (EU Regulation 596/2014, Delegated Regulation (EU) 2016/522, Implementing Regulation (EU) 2016/1055 and further implementing provisions), the Board of Directors of Terna S.p.A. replaced the aforementioned regulations, adopting a new "Procedure for Managing, Processing and Communicating Corporate Information relating to Terna S.p.A. and its Subsidiaries" (also referred to in this section as the "Corporate Information Procedure"). The Procedure updated the notion of inside information and strengthened the rules governing cases in which the disclosure of inside information is delayed, as required by art. 17, paragraph 4(3) of Regulation (EU) 596/2014 and the above Implementing Regulation. The Corporate Information Procedure, which, like the previous regulations, also establishes official guidelines for subsidiaries so as to ensure the coordinated management of information flows within the Group, regulates the related responsibilities and obligations for reporting to the CONSOB. It also connects such activities with those involved in the establishment and update of the list of individuals with access to inside information (the Insider List), as governed by a specific, separate procedure (see below). The Procedure was revised on 18 December 2019 following the entry into force of Italian Legislative Decree no. 107 of 2018 and changes to Terna S.p.A.'s organisational structure and on 1 March 2023, the Board of Directors confirmed the current approach with minor changes. Subsequently, during 2025, certain updates were made in order to adapt the references to the internal organisational structure.

The Directors and Statutory Auditors of Terna S.p.A. and its subsidiaries are required to comply with the rules set out in the Corporate Information Procedure and to ensure that all documents and information acquired in the performance of their duties remains confidential. This requirement also extends to the content of any discussions during Board of Directors' meetings.

This Procedure - available on the Company's website www.terna.it in the **Governance** section - assigns, on a general basis, the Company's Chief Executive Officer and the respective heads (sole director, executive chair, chief executive officers and/or general managers, as applicable) of subsidiaries responsibility for managing the relevant confidential information. The Procedure also requires that the disclosure of information on individual subsidiaries must, in any event, receive prior authorisation from Terna's Chief Executive Officer.

Lastly, the Corporate Information Procedure also includes specific "Measures applicable to persons responsible for breaches of the Procedure".

Again, with regard to the management of corporate information, and in particular inside information, in compliance with the aforementioned European legislation on market abuse (in particular EU Regulation 596/2014 and Implementing Regulation (EU) 2016/347) and existing best practices, on 8 May 2018, Terna's Board of Directors adopted a specific *Procedure for Drawing Up and Updating the Insider List of Persons with Access to Inside or Potentially Inside Information*, a document available on the Company's website at www.terna.it in the **Governance** section.
The procedure was revised on 18 December 2019 following the entry into force of Italian Legislative Decree no. 107 of 2018 and changes to Terna S.p.A.'s organisational structure and on 1 March 2023, the Board of Directors confirmed the current approach with minor changes.

The Company – in implementation of the operational instructions contained in the CONSOB guidelines on "Managing Inside Information" (the "CONSOB Guidelines") - has drawn up and updated the lists of persons with access to inside or relevant information in carrying out certain responsibilities or by virtue of the professional relationship with Terna and/or a subsidiary.

Finally, in order to guarantee market transparency relating to significant transactions involving the purchase, sale, subscription for or exchange of Terna's shares, or of financial instruments connected with them, carried out - directly or indirectly - by individuals with significant decision-making powers within the Company, and with access to price sensitive information ("relevant persons"), in April 2004, the Company's Board of Directors approved a code of conduct for internal dealing, in compliance with the regulations issued by Borsa Italiana S.p.A.

In this context, Terna introduced an obligation for these individuals to abstain from executing – directly or indirectly - transactions subject to internal dealing rules during two blocking periods. These periods specifically concern the thirty day period before the announcement of the data regarding the separate (and consolidated) financial statements and the interim half-year report, after approval by Terna's Board of Directors.

Subsequently, the disclosure and transparency requirements on internal dealing were further adjusted, in accordance with the provisions of the aforementioned European legislation on market abuse in force since 3 July 2016 (and in particular Regulation (EU) No 596/2014 "MAR", Delegated Regulation (EU) 2016/522 and Implementing Regulation (EU) 2016/523), within the scope of the "Internal Dealing Procedure" adopted by Terna's Board of Directors and updated on 27 July 2017 and 8 May 2018, in compliance with the provisions of Consob Resolution no. 19925 of 22 March 2017 concerning "*Amendments to the implementing regulations of Italian Legislative Decree no. 58 of 24 February 1998, concerning the regulation of issuers and markets, as well as the regulation on related party transactions, for the implementation of Regulation (EU) No 596/2014 on market abuse*" and taking into account the interim guidelines received from ESMA in the context of the "*Question and Answers on the Market Abuse Regulation*".

The Internal Dealing Procedure was revised on 18 December 2019 following the entry into force of Italian Legislative Decree no. 107 of 2018 and changes to Terna's organisational structure, and on 1 March 2023, to take into account the most recent organisational changes.

The Internal Dealing Procedure applies to transactions conducted by and/or on behalf of the persons described in art. 19 of the MAR ("relevant persons") and persons closely associated with them, as identified pursuant to art. 3, paragraph 1(26) of the MAR and taking into consideration the clarifications provided by ESMA in this respect. In accordance with art. 19, paragraphs 8 and 9 of the MAR and art. 152-*quinquies*.1 of the Issuers' Regulation, all subsequent transactions, as identified in the regulations, are to be disclosed once they have reached or exceeded €20,000 in a calendar year. The €20,000 threshold is calculated by adding together all transactions completed during a calendar year, without any offset. It is understood that, after exceeding this threshold, all transactions (including those involving smaller amounts) must be disclosed. The disclosure obligations relating to significant transactions provided for in art. 114, paragraph 7 of the CLF, and articles 152-*sexies* et seq. of the Issuers' Regulation therefore remain in force.

These obligations regard (i) shareholders who hold an equity investment equal to at least 10% of the share capital and the persons who in any case control the issuer, and (ii) persons closely associated with them, as defined within the scope of art. 152-*sexies*, paragraph 1(d) of the Issuers' Regulation.

The current Internal Dealing Procedure is available on the Company's website (www.terna.it – Governance section). This serves to identify "relevant persons" at Terna and "persons closely associated" with them, and governs the management, processing and disclosure to the market of information on transactions in financial instruments undertaken by these individuals, the drawing up and updating of the list of relevant persons, as established pursuant to the regulations in effect, and the authorisation of relevant persons, where necessary, to carry out transactions during blocking periods.

Section VI
Board Committees

The Corporate Governance Code recommends that the Board of Directors set up committees with the role of conducting reviews, making recommendations and providing advice in the areas of nominations, remuneration, control and risk management (art. 3, Recommendations 16), in line with the previous edition.

When it took office and in implementation of the Code's recommendations, the newly elected Board of Directors adopted a resolution on 9 May 2023 establishing the following committees: the "Remuneration Committee", the "Audit, Risk and Sustainability Committee" and the "Nominations, Governance and Scenarios Committee", tasked preparatory investigations with making recommendations and providing advice so as to ensure the effective performance of Board functions. This carries out the role required by the "Regulation containing measures concerning related party transactions" issued by the CONSOB with Resolution 17221 of 12 March 2010, most recently amended by CONSOB Resolution 21624 of 10 December 2020, and the "Procedure for Related-Party Transactions" adopted by the Company and described in Section XII of this Report.
Compared to the tenure of the previous Board, and in line with the findings of the Board Review conducted by the outgoing Board, it was considered appropriate to assign governance responsibilities to the Nominations Committee, which at the same time expanded its remit to include scenario analysis. At the same time, the scope of the newly established "Audit, Risk and Sustainability Committee" was redefined.

Subsequently, on 23 October 2024, the Board of Directors - in order to strengthen the control over sustainability topics and to ensure its integration with governance issues and the long-term strategy in line with legislative developments and national and international market best practices - resolved to attribute more space to ESG goals, expanding the responsibilities of the Governance and Scenarios Committee to include these and renaming it the "Sustainability, Governance and Scenarios Committee". Again with a view to maximising synergies and alignment with market best practices, responsibilities in the field of Nominations were transferred from the Governance and Scenarios Committee to the Remuneration Committee, which took the name "Remuneration and Nominations Committee". Please see Section VII for further details.

The criteria regarding the composition, duties and responsibilities, as well as the procedures for conducting the meetings of these Committees were identified in line with the provisions of the Corporate Governance Code and outlined in specific internal Terms of Reference adopted by the Board of Directors.

It should be noted that the Terms of Reference were adopted for the first time at the meeting held on 24 January 2007. After that date, they were periodically revised, also due to the evolution of corporate governance principles and, as a result, of the Company's governance.

To this end, over time, the responsibilities of each Committee were redesigned in the light of the new recommendations in the Corporate Governance Code and the most recent market guidelines implementing the best practices already adopted by the Company; in addition, organisational changes were made that affect all the Committees, with a view to standardising their operating procedures.

The main changes made to the texts of the Terms of Reference concern:

i. the possibility of appointing the Chair of the Board of Directors as a member of a Committee;

ii. adaptation of the expertise of the Committees based on the recommendations in the Corporate Governance Code;

iii. the availability of financial resources to the Committees, with the exception of the Related-Party Transactions Committee, which has no cap on expenditure;

iv. reports to the Board of Directors;

v. annual approval of a calendar of Committee meetings, with the sole exception of the Related-Party Transactions Committee, whose meetings are held when any such transaction is to be considered;

vi. the explicit provision of a dedicated platform for Committee meetings with confidential access to illustrative documentation relating to the items on the meeting agenda, normally three days prior to the date set for the meeting. If, in specific cases it is impossible to provide the necessary information well in advance, then the Chair must ensure that adequate and detailed information is provided during Committee meetings.

vii. the possibility for the Chair, the Chief Executive Officer, other Directors and, after informing the CEO, other members of departments to attend Committee meetings;

viii. in the event of a tie, the introduction of a casting vote for the Chair of each Committee;

ix. the definition of the professional requirements for the Secretary to each Committee.

Following these changes, the Terms of Reference were again amended at the Board meeting of 13 December 2023. The division of responsibilities between the Audit, Risk and Sustainability Committee (formerly the Audit, Risk, Corporate Governance and Sustainability Committee) and the Nominations, Governance and Scenarios Committee (formerly the Nominations Committee) provided an opportunity to update the relevant Terms of Reference. At the same time, the following changes were made:

i. increase in the minimum attendance at meetings from 75% to 80%. The said minimum attendance percentage is the result of the conclusion of the deliberations that accompanied the last Board of Directors' meeting, which emerged from the Board Review and which found a precise definition in the document "Guidelines of Terna's Board of Directors to shareholders on the size and composition of the new Board of Directors", as well as in the Company's rules on concurrent offices;

ii. clarification that the meeting is deemed to be held at the location where the Committee Chair is present; in addition, the Chair and the Secretary may be in different locations. Remote connection is still possible in all cases.

The above-mentioned revisions also affected all the Committees.
On the other hand, certain clarifications in line with the recommendations of the Corporate Governance Code remained unchanged.

In this respect, at least one member of the committee entrusted with remuneration powers must possess adequate knowledge and experience in financial and remuneration policy matters, and at least one member of the Audit and Risk Committee must possess adequate expertise in matters relating to accounting and finance or risk management.
Additionally, the Remuneration and Nominations Committee reports to the Board of Directors, at least annually, on its activities, whilst the Audit and Risk Committee reports at least every six months at the time of approval of the annual report and the half-year report, including on matters concerning the Internal Control and Risk Management System.
During the year, the Chair of each Committee reports to the earliest possible Board of Directors' meeting on the meetings carried out by their Committee, in accordance with the recommendations of the Corporate Governance Code.
All the Committees reported to the Board of Directors on 26 March 2026.

Committee meetings are recorded in minutes. Each Committee may also conduct its meetings remotely by phone or video, similarly to the Board of Directors. Each Committee has the right to access the necessary information and corporate departments to carry out its tasks and may avail itself of external advisors within the limits provided for by the Board of Directors. All members of the Board of Statutory Auditors may take part in any Committee meeting.
The information provided in this Report on the activities carried out during the year, on the number and average duration of the meetings held, and the related attendance percentage of each member of the Committees, takes into account the minutes drawn up by the Committees and the support provided by the respective Chair or other members, as far as their respective duties are concerned, as set forth in the related Terms of Reference.

The respective Terms of reference of the Board committees were revised by resolution of the Board of Directors on 21 January 2025 with the approval of each Committee to bring them into line with the new division of responsibilities established on 23 October 2024.

Section VII
Sustainability, Governance and Scenarios Committee

The Board of Directors established the Nominations Committee at its meeting held on 27 May 2014, at the time of its first re-election following the entry into force of the provisions contained in art. 5.P.1 of the Corporate Governance Code, Board Review and Board Committees review.

Composition

With effect from 9 May 2023 and until 23 October 2024, the Committee was known as the Nominations, Governance and Scenarios Committee, consisting of the following Directors: **Igor De Biasio (Chair), Jean-Michel Aubertin, Karina Audrey Litvack, Simona Signoracci and Regina Corradini D'Arienzo**; non-executive Directors, the majority of whom independent.

As stated, as of **23 October 2024**, the Board resolved to give more space to ESG goals, expanding the responsibilities of the Nominations, Governance and Scenarios Committee to include these topics, while issues relating to "nominations" were transferred to the Remuneration Committee. The Committee was therefore renamed "**Sustainability, Governance and Scenarios Committee**".

As of **23 October 2024**, the Committee is composed of the following Directors: Igor **De Biasio (Chair), Jean-Michel Aubertin, Anna Chiara Svelto, Simona Signoracci and Qinjing Shen**. The Committee is composed of non-executive directors, the majority of whom are independent. The Chair of the Board of Directors, who is also independent, remains Chair. Two members (Jean-Michel Aubertin and Anna Chiara Svelto) are Directors elected from the slate submitted by a group of shareholders made up of asset management companies and other institutional investors, which obtained the highest number of votes.

SUSTAINABILITY, GOVERNANCE AND SCENARIOS COMMITTEE

	NAME	ROLE	INDEPENDENCE	
			INDEPENDENCE AS PER CLF	CGC
	Igor De Biasio	Chair	●	●
	Jean-Michel Aubertin	Member	●	●
	Anna Chiara Svelto	Member	●	●
	Simona Signoracci	Member	●	●
	Qinjing Shen	Member		

Functions of the Sustainability, Governance and Scenarios Committee

It should be noted that until 23 October 2024, the Committee was known as the “Nominations, Governance and Scenarios Committee”, and carried out the related functions.

The current duties of the Committee are identified in accordance with the provisions of the Corporate Governance Code and the methods of conducting the meetings are governed by specific Terms of Reference adopted by the Board of Directors, last updated on 21 January 2025.

Responsibility for sustainability issues was assigned to a Board committee, in line with the recommendation contained in the notes to art. 4 of the Corporate Governance Code, which invites the Board to assess the appropriateness of setting up an ad hoc committee to supervise sustainability matters, and in line as well as the provisions of the new Corporate Governance Code (art. 1, Recommendation no. 1, letter a).

The Committee were therefore assigned responsibilities in the area of sustainability, with particular reference to:

- examining and assessing sustainability policies with the objective of ensuring the creation of long-term value for the benefit of shareholders, taking into account the interests of Terna's other relevant stakeholders, also for the purpose of examining and approving the Company's and the Group's industrial plan;
- the definition of the sustainability guidelines and plans and the materiality matrix that identifies the most material topics for the Group and its stakeholders in the light of the strategies of the Company and the Group itself;
- the regular monitoring of how the sustainability plans are being implemented and the achievement of their objectives, as well as the inclusion of the Company in sustainability indices;
- the assessment of the suitability of the periodic non-financial information to correctly represent the Company's business model and strategies, the impact of its activity and the performance achieved, in coordination with the Audit and Risk Committee.

In relation to its duties in terms of governance, the Committee:

i. monitoring the development of legislation and national and international best practice in the field of Corporate Governance and informing the Board of Directors of any significant changes;

ii. reviewing the compliance of the corporate governance system adopted by the Company and the Group with current legislation, the recommendations of the Corporate Governance Code and national and international best practices, and provide the Board of Directors with any opinions or proposals to adapt the said corporate governance system, should the need or opportunity arise;

iii. giving its opinion on the modification and/or supplementation of the policy for managing relations with shareholders in general, prepared in accordance with the recommendations of the Corporate Governance Code, also taking into account the engagement policies adopted by institutional investors and asset managers;

iv. examines in advance any reasoned proposals from the Board of Directors to the Shareholders' Meeting on topics relating to the corporate governance system, in line with the recommendations of the Corporate Governance Code, and assess any potential issues relating to the application of the non-competition requirement imposed on Directors by art. 2390 of the Italian Civil Code, where the General Meeting, for organisational reasons, has authorised exceptions to this prohibition in advance and on a general basis;

v. examines in advance the annual report on corporate governance to be published at the same time as the financial statements.

The Sustainability, Governance and Scenarios Committee also supports the Remuneration and Nominations Committee in developing the potential succession plan for the Chair and/or the CEO of Terna (contingency plan) in case of their early departure from office.

The Chair of the Committee may invite the Chair of the Board of Directors, the Chief Executive Officer, other Directors and, informing the Chief Executive Officer, representatives from the relevant departments to individual meetings (art. 3, Recommendation 17, paragraph 3 of the Corporate Governance Code).

In performing its duties, the Committee has the right to access the information and company departments necessary to carry out its tasks and may make use of external consultants, within the limits approved by the Board of Directors and as provided for by the Corporate Governance Code (art. 3, Recommendation 17, last paragraph).
The Committee has access to adequate financial resources.

Below is a description of the activities carried out in 2025 and early 2026.

During 2025, the Committee met with the Strategy, Digital and Sustainability Department and the Independent Auditors' team to discuss the Company's approach to 'sustainability', in light of European legislation and its transposition into national law, with specific focus on:

- CSRD Disclosure
- Materiality matrix and the results of the Double materiality analysis
- Sustainability Reporting (jointly with the Audit and Risk Committee)
- Updating of the Sustainability Dashboard
- Focus on voluntary reporting, supplementary to CSRD reporting
- Update on ESG indices
- Analysis of investors' requests regarding sustainability

In the early months of 2026, the Committee received a report on the 2025 Double Materiality process, which described the activities carried out and the results of the analysis in terms of impacts and opportunities. The Double Materiality report was supplemented by the presentation of the results of the Enterprise Risk Management Risk Assessment.

It should also be noted that the results of the 2025 Double Materiality process were also reported to the Board of Directors by the Chair of the Committee.

With regard to Scenarios, the Committee examined issues falling within its remit regarding scenarios, including through contributions from external experts, with a particular focus on the impact of the international geopolitical landscape on the energy sector.

The Committee also addressed issues related to Governance through:

- Information on the communication from the Chair of the Corporate Governance Committee and the Committee's 2024 Report
- Issuance of a favourable opinion regarding the formal amendments to the Board of Directors' Terms of Reference
- Verification of the directors' independence
- A note received from the Independent Directors, the findings of which led to the Committee issuing a formal recommendation to the Board of Directors
- Further details on the audits conducted on governance issues, including a hearing with the Head of Internal Audit and an analysis of the findings, which led to a recommendation to the Board of Directors
- A report on information flows to the Board of Directors for the implementation of Legislative Decree no. 138/202 (so-called NIS2 Decree)
- Meeting with the Chair of the newly appointed Supervisory Board
- Check on the status of the process to complete the composition of the committees following the recent co-optations

During 2025, the Sustainability, Governance and Scenarios Committee held 13 meetings, which were attended by almost all of its members (97%), lasting an average of 113 minutes, and were also attended by the Board of Statutory Auditors. All meetings were duly recorded in minutes.

The attendance of each member of the Committee in office at the meetings held during 2025 is shown in Table 3 attached hereto (article 123 *bis*, paragraph 2(d), of the CLF).

During 2026 and up to the date of approval of this report, the Committee held 3 meetings. For the current financial year, the number of meetings of the Committee is sufficient to fulfil the tasks assigned to it.

The Committee Chair informed the Board at the earliest possible time of the Committee's meetings (art. 3, Recommendation 17, second paragraph of the Corporate Governance Code).

At its meeting of 26 March 2026, the Board of Directors assessed the Committee's duties and performance. The generally positive evaluation of the composition, size and performance of the Committee itself was confirmed by the Board of Directors as part of the annual review of the Board itself and its Committees.

Section VIII
Remuneration and Nominations Committee

CREMUNERATION AND NOMINATIONS COMMITTEE UP TO 29 JULY 2025[22]

	NAME	ROLE	INDEPENDENCE	
			CLF	CGC
	Enrico Tommaso Cucchiani	Chair	●	●
	Karina Audrey Litvack	Member	●	●
	Gian Luca Gregori	Member	●	●
	Simona Signoracci	Member	●	●
	Regina Corradini D'Arienzo	Member		

[22] It should be noted that until 29 July 2025, Director Enrico Tommaso Cucchiani was the (independent) Chair of the Remuneration and Nominations Committee. On that date, the Board of Directors replaced him with Gian Luca Gregori, who was already an independent member of the Committee

REMUNERATION AND NOMINATIONS COMMITTEE AS OF THE DATE OF APPROVAL OF THIS REPORT

	NAME	ROLE	INDEPENDENCE	
			CLF	CGC
	Gian Luca Gregori[23]	Chair	●	●
	Karina Audrey Litvack	Member	●	●
	Paolo Damilano[24]	Member	●	●
	Simona Signoracci	Member	●	●
	Regina Corradini D'Arienzo	Member		

[23] On 29 July 2025, the Board of Directors appointed non-executive independent Director Gian Luca Gregori, already a member of the Remuneration and Nominations Committee, as chair of the Committee, replacing Director Enrico Tommaso Cucchiani, who had tendered his resignation on 28 May 2025, effective upon the appointment of his successor, which took place on the same date;
[24] On 29 September 2025, the Board of Directors appointed Paolo Damilano as independent member of the Remuneration and Nominations Committee, following the abovementioned resignation of Director Enrico Tommaso Cucchiani.

Composition

The duties of the Committee are identified in accordance with the provisions of the Corporate Governance Code and the methods of conducting the meetings are governed by specific Terms of Reference adopted by the Board of Directors, last updated on 21 January 2025.

Until 29 July 2025, the Committee was composed as follows: Enrico Tommaso Cucchiani (Chair), Regina Corradini D'Arienzo, Gian Luca Gregori, Karina Audrey Litvack, and Simona Signoracci. One member (Karina Audrey Litvack) is a Director elected from the slate submitted by a group of shareholders made up of asset management companies and other institutional investors, which obtained the highest number of votes. From 29 July 2025, following the resignation of the Committee's Chair Mr Cucchiani from the role of Director (submitted on 28 May 2025 with effect from the appointment of his successor, which occurred on 29 July 2025 through the co-opted appointment of non-executive independent Director Paolo Damilano), the Board of Directors appointed Gian Luca Gregori, a member of the Remuneration and Nominations Committee, as the Committee's Chair. On 29 September 2025, following the preparatory investigations carried out by the Remuneration and Nominations Committee and the Sustainability, Governance and Scenarios Committee, the composition of the Committee was reinstated through the appointment by the Board of Directors of Director Paolo Damilano as an independent member of the Remuneration and Nominations Committee, following the previously described resignation of Director Enrico Tommaso Cucchiani

As of the date of this Report, the Remuneration and Nominations Committee is composed as follows: Gian Luca Gregori (Chair), Regina Corradini D'Arienzo, Paolo Damilano, Karina Audrey Litvack and Simona Signoracci.

The members are all non-executive directors, the majority of whom are independent. Even in its new composition, the Committee is still fully compliant with Recommendation 26, art. 5 of the Corporate Governance Code.

At least one member has adequate knowledge and experience in financial matters or remuneration policies as required by the Corporate Governance Code (art. 5, Recommendation 26). In addition to the Chair, who also has high-level professional experience, the composition of the Committee fully complies with this recommendation.

Duties of the Remuneration and Nominations Committee

The Committee's duties include, among other things: (i) assisting the Board of Directors in the drafting of the remuneration policy; (ii) submitting proposals or expressing opinions on the remuneration of executive directors and other directors who hold special offices, as well as on the setting of performance objectives related to the variable component of such remuneration, which include ESG indicators; (iii) monitoring the concrete application of the remuneration policy and verifying, in particular, the effective achievement of performance objectives; (iv) periodically assessing the adequacy and overall consistency of the directors' and top management's remuneration policy (art. 5, Recommendation 25, first paragraph of the Corporate Governance Code).

With effect from 23 October 2024, the Committee has assumed responsibility for nominations. In this capacity, it assists the Board with the following tasks:

a) self-assessment of the Board of Directors and its Committees, also formulating its own prior opinion on the advisability of using external experts, and coordinating these activities with the Chair of the Board of Directors;

b) definition of the optimal composition of the Board of Directors and its Committees;

c) definition of the Board of Directors' guidance on the maximum number of positions as directors or statutory auditors in other listed or large companies that may be considered compatible with effective performance of duties;

d) assessment of candidates for the position of Director in the event of co-optation;

e) possible submission, pursuant to art. 14.3 of the Articles of Association, of a slate by the outgoing Board of Directors, ensuring that the slate is prepared and submitted with a transparent procedure;

f) definition, with the support of the Sustainability, Governance and Scenarios Committee, of the potential plan for the succession of the Chair and/or Chief Executive Officer of TERNA (contingency plan), which at the least identifies the procedures to be followed in case of early termination of office.

The Chair of the Committee may, from time to time, invite the Chair of the Board of Directors, the Chief Executive Officer, other Directors, members of the Audit and Risk Committee and, informing the Chief Executive Officer, the representatives of the competent corporate departments to the meetings of the Committee, with reference to the individual items on the agenda (art. 3, Recommendation 17 of the Corporate Governance Code).

In performing its duties, the Remuneration and Nominations Committee has the right to access the information and company departments necessary to carry out its tasks and may make use of external consultants, within the limits approved by the Board of Directors and as provided for by the Corporate Governance Code (art. 3, Recommendation 17, last paragraph).

Minutes were duly taken of all Committee meetings and the Committee had the chance to access any information and company departments it deemed necessary in order to perform its duties, and to use external consultants in accordance with the terms of reference established by the Board (art. 3, Recommendation 17, last paragraph of the Corporate Governance Code).

In 2025, the Remuneration and Nominations Committee held a total of 14 meetings, with the regular participation of its members (93%) and an average duration of approximately 69 minutes each.

The above-mentioned meetings, which also saw the participation of the Board of Statutory Auditors, were also attended by senior managers of the Company and by persons whose presence was deemed helpful in providing greater information on agenda items and in ensuring the best possible fulfilment of the duties of the Committee.

The attendance of each member of the Committee in office at the meetings held during 2025 is shown in Table 3 attached hereto (article 123 *bis*, paragraph 2(d), of the CLF). The Committee has access to adequate financial resources.

In particular, in the year, the Committee dealt with the following matters regarding remuneration:

- preparation of a proposal for the Remuneration Policy for 2025, described in the Report on the remuneration policy and remuneration paid, as approved by the Board of Directors, which will be submitted for approval by the Annual General Meeting called to approve the financial statements for the year ended 31 December 2024 in accordance with art. 123-*ter*, paragraphs 3-*bis* and 3-*ter* of the CLF;
- support to the Board of Directors in preparing the second section of the "Report on the remuneration policy and remuneration paid", approved by the Board of Directors and submitted, pursuant to art. 123-*ter*, paragraph 6 of the CLF, to a consultative vote at the Annual General Meeting held to approve the financial statements for the year ended 31 December 2024;
- examination of the objectives for 2025 to which the variable remuneration of the Chief Executive Officer, in her role as both a Director and as a manager employed by the Company, and key management personnel is linked;
- assessment of achievement of the results for 2024 in respect of payment of the annual variable remuneration of the Chief Executive Officer, in her role as both a Director and as a manager employed by the Company, and key management personnel;
- assessment of achievement of the objectives linked to payments under the 2022-2026 Performance Share Plan;
- approval of details of the structure of the Performance Share Plan 2025-2029 and the related Information Circular, examination of the implementation process and approval of the terms and conditions and the financial instruments to be allotted;

- analyses relating to benchmarking activity for the Top Management;
- sharing of planning activities for 2026.

Regarding its responsibilities concerning nominations and in accordance with its Terms of Reference, during 2025, the Committee among other things examined candidates for the position of Director in light of the co-optations by the Board of Directors following the resignations of Directors Mele and Cucchiani and for the reinstatement of the Committees following the aforementioned resignations the results of the Board Review and governance documents, also for the purposes of the Report on Corporate Governance and Ownership Structures; it supported the Board of Directors' guidance to shareholders on the qualitative and quantitative composition of the Board in view of its renewal at the 2025 Shareholders' Meeting; it considered the possible revision of the Contingency Plan.

During the current financial year and up to the date of approval of this report, the Committee held 6 meetings.

The Committee's activities have continued in the first months of 2026 and concern:

- preparation of a proposal for the Remuneration Policy for 2026, described in the Report on the Remuneration Policy and Remuneration Paid, approved by the Board of Directors, and which will be submitted to a binding vote at the Annual General Meeting called to approve the financial statements for the year ended 31 December 2025, pursuant to art. 123-*ter*, paragraphs 3-*bis* and 3-*ter*, of the CLF;
- support to the Board of Directors in preparing the second section of the Report on the Remuneration Policy and Remuneration Paid, approved by the Board of Directors, and which will be submitted, pursuant to art. 123-*ter*, paragraph 6 of the CLF, to a non-binding vote at the Annual General Meeting held to approve the financial statements for the year ended 31 December 2025;
- examination of the objectives for 2026 to which the variable remuneration of the Chief Executive Officer, in her role as both a Director and as a manager employed by the Company, and key management personnel is linked;
- assessment of achievement of the results for 2025 in respect of payment of the annual variable remuneration of the Chief Executive Officer, in her role as both a Director and as a manager employed by the Company, and key management personnel;
- assessment of achievement of the objectives for the allocation of instruments under the 2023-2027 Performance Share Plan;
- approval of details of the structure of the 2026-2030 Performance Share Plan and the related Information Circular.

The Committee Chair informed the Board at the earliest possible time of the Committee's meetings (art. 3, Recommendation 17, second paragraph of the Corporate Governance Code).

At its meeting of 26 March 2026, the Board of Directors assessed the Committee's duties and performance. The generally positive evaluation of the composition, size and performance of the Committee was confirmed by the Board of Directors as part of the annual review of the Board itself and its Committees.

Self-Assessment of the Board of Directors and Board Committees

In compliance with the Corporate Governance Code, Terna's Board of Directors, with the support of the current Remuneration and Nominations Committee, carries out an annual self-assessment of the size, composition and actual functioning of the Board and of Board committees, in relation to the activities performed, also referred to as a Board Review.

To proceed with the self-assessment, Terna, for the third year in a row, appointed a specialist external consultant, Russell Reynolds Associates S.r.l., an independent third party, selected following a beauty contest. The review was conducted in the form of a specific questionnaire, prepared by the consulting firm, to be completed by the Directors. The responses provided were then expanded on in the course of interviews with individual members in order to further examine the various issues and obtain comments and opinions.

On completion of the consultant's activity, the Board of Directors' self-assessment highlighted its strengths in terms of the Board's diversity, quality and composition, as well as structure and processes of the Board of Directors and the Board Committees.

The other strengths noted by the Directors are:

- Continuous improvement in the management of the Board's climate and dynamics, and role of the Chair;
- The information received from Management, the Structure and the Processes managed by the Board, such as information flows to the Board of Directors, internal control processes and risk management;
- The excellent functioning of the Board Committees;
- The appropriate composition and effective functioning of the Board of Statutory Auditors;
- The financial disclosure to the market and the relationship with the Shareholders.

In order to further increase the quality of Terna's governance processes, the Directors, with the support of the appointed consultant, reviewed the suggestions made as part of the Board Review, regarding, among other things:

- Continuing to strengthen the Board's operational management and foster a constructive atmosphere, striking a balance between decision-making and discussion;
- Continuing to encourage discussion, promoting the flow of information according to reporting standards, and convergence in resolutions;
- Continuing to ensure consistency between the complexity of the topics and the time available for the debate;
- Improving openness and sharing also for informational and therefore non-decision-making purposes, in full compliance with corporate governance rules.
- When renewing the Board, strengthening the inclusion of members with managerial, professional, and/or academic or institutional backgrounds who have experience in the electricity and energy sectors, including international experience, and possess technological and digital skills.

The results of the Board Review process were analysed by the Remuneration and Nominations Committee on 18 February 2026, and by the Sustainability, Governance and Scenarios Committee on 23 February 2026. The process was concluded at the Board meeting of 26 March 2026, which approved this Report.

Section IX
Directors' remuneration

As of December 2011, Terna's Board of Directors adopted the "Remuneration Policy" in implementation of the recommendations in the Corporate Governance Code from time to time in force, as recommended by the Remuneration Committee.

Following the entry into force of regulations implementing art. 123-*ter* of the CLF (CONSOB Resolution 18049 of 23 December 2011, published in the Italian Official Gazette no. 303 of 30 December 2011), which, among other things, introduced art. 84-*quater* into the Issuers' Regulation, Terna's Board of Directors, on the recommendation of the Remuneration Committee, has each year approved updates to the Policy adopted, as described in the "Annual Remuneration Report". This report, published annually, is made available for consultation by the public at the Company's registered office and on its website (www.terna.it), as well as on the authorised storage service. The report is also put to a consultative, non-binding vote (until the regulatory changes referred to below) at the Annual General Meeting of shareholders, in accordance with art. 123-*ter*, paragraph 6 of the CLF. The Annual General Meeting has always voted in favour.

Italian Legislative Decree no. 49 of 10 May 2019, transposing Directive 2017/828 of the European Parliament and of the Council of 17 May 2017 ("Shareholder rights directive II" or "SRD II") and amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, has introduced a number of amendments to art. 123-*ter* of the CLF. Specifically, it has introduced a binding vote by the Annual General Meeting of shareholders for the first section of the Report and a consultative vote by the same Annual General Meeting regarding the second section of the Report. These modifications were applied for the first time during the General Meeting of shareholders held on 18 May 2020, which approved the first section of the Report on the remuneration policy and remuneration paid and expressed a favourable opinion as regards the second section. The report was made available to the public as described above. Thus the process of bringing the regulatory framework governing the transparency of remuneration into line with the SRD II has come to a close, at the level of secondary legislation, with the amendment of art. 84-*quater* of the Issuers' Regulation and the relative Table 7-*bis* in Annex 3A of said Regulations from Consob Resolution no. 21623 of 10 December 2020. The Annual General Meeting of 21 May 2025 approved the first section of the Report on the remuneration policy and remuneration paid and expressed a favourable opinion as regards the second section.

The Report on the Remuneration Policy and Remuneration Paid, which will be submitted to the next Annual General Meeting of shareholders called to approve the financial statements, has been prepared by the Company in compliance with the new first and second level regulatory provisions and takes account of the latest recommendations set forth in the new Corporate Governance Code.

The Report, to which reference is made, was approved by the Board of Directors – at the proposal of the Remuneration and Nominations Committee – on 26 March 2026, and will be published by Terna in accordance with that set forth in art. 123-*ter*, of the recently amended CLF.

It should be noted that the remuneration payable to each Director is determined by the Annual General Meeting of shareholders (art. 24.1 of the Articles of Association).

Additional fees payable to the members of Board Committees set up in compliance with the Corporate Governance Code are determined by the Board of Directors itself, in consultation with the Board of Statutory Auditors, as required by art. 2389, paragraph 3 of the Italian Civil Code and art. 24.2 of the Articles of Association. The overall remuneration for the Chair and the Chief Executive Officer is also determined by the Board of Directors, based on the recommendation provided by the Remuneration Committee and in consultation with the Board of Statutory Auditors.

For a full description of the remuneration paid by the Company and its subsidiaries or associates during the reporting period, for any reason and in any form, to the members of Terna's management body and key management personnel for 2025, including descriptions of each element of remuneration, severance pay arrangements or termination payments, clawback provisions and an opinion on the consistency of the Company's remuneration policy approved the previous year, reference should be made to the "Report on the Remuneration Policy and Remuneration Paid", to be published by Terna and submitted for approval at the forthcoming Annual General Meeting of shareholders called to approve the financial statements for the year ended 31 December 2025, in compliance with the provisions of art. 123-*ter* of the CLF, as amended.

With regard to ESRS 2, paragraphs 27 and 29, reference is made to the reporting in the Annual Report, in particular the section "The remuneration system" in the Sustainability Report. Moreover, for an adequate representation of all information relating to the connection of the incentive schemes with sustainability issues, in terms of the main characteristics of the incentive schemes, the presence and weight of sustainability metrics, the governance process of approving the metrics within the incentive schemes, see the aforementioned "Report on the Remuneration Policy and Remuneration Paid", which will be published and submitted to the next Annual General Meeting of Shareholders called to approve the financial statements for the year ending 31 December 2025, in compliance with the provisions of art. 123-*ter* of the CLF as last updated.

The "Report on the Remuneration Policy and Remuneration Paid" also includes the information required by art. 84-*quater,* paragraphs 2 and 4 of the Issuers' Regulation, concerning the remuneration plans provided for in art. 114-*bis* of the CLF and shareholdings in Terna and its subsidiaries held by members of management and oversight bodies, general managers and other key management personnel, and by spouses who are not legally separated and minor children, either directly or through subsidiaries, trust companies or third party.

Section X
Audit and Risk Committee

COMPOSITION OF THE AUDIT AND RISK COMMITTEE UNTIL 24 JUNE 2025[25]

	NAME	ROLE	INDEPENDENCE	
			CLF	CGC
	Marco Giorgino	Chair	●	●
	Jean-Michel Aubertin	Member	●	●
	Enrico Tommaso Cucchiani	Member	●	●
	Karina Audrey Litvack	Member	●	●
	Francesco Renato Mele	Member		

[25] It should be noted that i) until 24 June 2025, Director Francesco Renato Mele was a non-independent member of the Audit and Risk Committee and ii) until 29 July 2025, Director Enrico Tommaso Cucchiani was an independent member of the Audit and Risk Committee.

COMPOSITION OF THE AUDIT AND RISK COMMITTEE AT THE DATE OF APPROVAL OF THIS REPORT[26]

	NAME	ROLE	INDEPENDENCE	
			CLF	CGC
	Marco Giorgino	Chair	●	●
	Jean-Michel Aubertin	Member	●	●
	Stefano Cappiello	Member	●	●
	Karina Audrey Litvack	Member	●	●
	Paolo Damilano	Member	●	●

[26] On 29 September 2025, the Board of Directors appointed Directors Stefano Cappiello and Paolo Damilano as independent members of the Audit and Risk Committee following the resignation of Directors Francesco Renato Mele and Enrico Tommaso Cucchiani.

In 2004, the Board of Directors set up a specific Board Committee named the Internal Audit Committee. This Committee had the task of conducting reviews, providing advice and making recommendations, in particular, to advise the Board in its assessments and decisions relating to the "Internal Control System" and the regular monitoring of the adequacy of such system. The Internal Audit Committee was also responsible for studying specific aspects relating to the identification of the main business risks (for example, operational risk, financial risk, market risk, and compliance risk, in addition to accounting compliance risks), reporting periodically to the Board on the suitability of the system and the activities performed.

The duties of the Committee were identified in accordance with the provisions of the Corporate Governance Code and the methods of conducting the meetings are governed by specific terms of reference adopted by the Board of Directors on 24 January 2007. The Committee had also assumed responsibility for Corporate Governance from 2014 until 9 May 2023 and for Sustainability from 2016 until 23 October 2024.

The Committee's terms of reference have been updated from time to time in light of the tasks assigned to it, first by the Code of Conduct and then by the Corporate Governance Code.

Following the appointment of the new Board of Directors and the consequent reconstitution of the Board Committees, responsibility for "sustainability" had been left with the Audit and Risk Committee, while "governance" had been assigned to the Nominations and Scenarios Committee. The Terms of Reference were consequently updated on 13 December 2023. As of **23 October 2024**, following the transfer of sustainability matters to the Sustainability, Governance and Scenarios Committee, the Committee was renamed **"Audit and Risk Committee"** while maintaining the same composition. The Committee's Terms of Reference were therefore updated on 21 January 2025.

Composition

As of 9 May 2023, the Committee was composed of the following members: Marco Giorgino (Chair), Enrico Tommaso Cucchiani, Francesco Renato Mele, Karina Audrey Litvack and Jean Michel Aubertin.

Three of the Committee members were taken from the slate submitted by a group of shareholders made up of asset management companies and other institutional investors, which obtained the highest number of votes.
On 29 September 2025, following an assessment by the Remuneration and Nominations Committee and the Sustainability, Governance and Scenarios Committee, the Committee was reinstated with the appointment by the Board of Directors of Directors Stefano Cappiello and Paolo Damilano as members of the Audit and Risk Committee following the aforementioned resignation of Directors Francesco Renato Mele and Enrico Tommaso Cucchiani.

The composition is in line with the Corporate Governance Code, which recommends the presence of only non-executive directors, the majority of whom should be independent, and that the Chair be an independent director (art. 6, Recommendation 35). All the Committee members meet the independence requirements pursuant to the Corporate Governance Code and art. 148, paragraph 3 of the CLF, as referred to in art. 147-*ter*, paragraph 4 of the CLF.

The Corporate Governance Code recommends that "At least one member has appropriate knowledge and experience of accounting, financial or risk management matters" (art. 76, Recommendation 35, second paragraph). In addition to the Chair, who possesses substantial professional expertise in the financial sector, the composition of the Committee is such as to fully comply with this recommendation.

The Committee may, within the scope of its activities, instruct the Internal Audit Department to review specific operational areas, notifying the Chair of the Board of Statutory Auditors (art. 6, Recommendation 35(g) of the Corporate Governance Code).

The Chair of the Board of Statutory Auditors (or another Statutory Auditor designated by them) attends the Committee's meetings in accordance with the provisions of art. 6, Recommendation 37, second paragraph of the Corporate Governance Code, and the other Statutory Auditors may also attend.

The Chair of the Committee may from time to time invite to meetings, with reference to individual items on the agenda, the Chair of the Board of Directors, the Chief Executive Officer (in her capacity as the Director in charge of setting up and maintaining the Internal Control and Risk Management System), members of the Remuneration Committee, other members of the Board of Directors, the Head of the Internal Audit Department and, after informing the Chief Executive Officer, representatives of the competent corporate departments (art. 3, Recommendation 17 of the Corporate Governance Code).

Duties of the Audit and Risk Committee

The "Audit and Risk Committee" has the task, among other things, of supporting the Board of Directors, with suitable research and analysis activities, in the assessments and decisions relating to the "Internal Control and Risk Management System" (the "System", as detailed in Section XI below), to Corporate Governance, to approval of periodic financial and non-financial reports (art. 6, Recommendation 32c of the Corporate Governance Code). In this context, in assisting the Board of Directors, the Committee:

- reviews, after consulting the Manager Responsible for Financial Reporting, the independent auditors and the Board of Statutory Auditors, the correct use of accounting standards and their consistent application in preparation of the consolidated financial statements;
- assesses the suitability of periodic financial and non-financial information to correctly represent the company's business model, strategies, the impact of its activities and the performance achieved, in coordination with any committee provided for by Recommendation 1(a) of the Corporate Governance Code;
- examines the content of periodic non-financial information relevant to the internal control and risk management system;
- expresses opinions on specific aspects relating to the identification of the main corporate risks and supports the assessments and decisions of the Board of Directors relating to the management of risks arising from prejudicial events of which the latter has become aware;
- reviews periodic reports and reports of particular relevance prepared by the Internal Audit Department;
- monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit Department. In this respect, reference is made to the "Head of the Internal Audit Department" in section XI below;
- reports to the Board of Directors, at least when the annual and half-year financial reports are approved, on the activities carried out and on the adequacy of the internal control and risk management system;
- supports the Board of Directors in performing the tasks entrusted to it by the Corporate Governance Code in the field of internal control and risk management with regard to:

  (i) the setting of guidelines for the internal control and risk management system in line with the company's strategies and the assessment, at least once a year, of the adequacy of the system in relation to the characteristics of the company and the risk profile assumed, as well as its effectiveness;

  (ii) appointment and termination of the Head of the Internal Audit Department, defining remuneration in line with company policies, and ensuring that such manager has adequate resources to perform his/her duties;

  (iii) approval, at least once a year, of the work plan prepared by the Head of the Internal Audit Department, in consultation with the control body and the Chief Executive Officer;

  (iv) the possible adoption of measures to ensure the effectiveness and impartiality of judgement of other corporate departments involved in the internal control and risk management system, verifying that they have adequate expertise and resources;

  (v) attribution to the Board of Statutory Auditors or to a specially constituted body of the supervisory functions under art. 6(1)(b) of Legislative Decree 231/2001;

(vi) assessment, in consultation with the Board of Statutory Auditors, of the findings set out by the independent auditors in their letter of recommendations, if any, and in the additional report to the Board of Statutory Auditors;

(vii) description, in the corporate governance report, of the main features of the internal control and risk management system and of the methods of coordination among the parties involved in it, indicating the national and international reference models and best practices, expressing its overall opinion on the adequacy of the system and explaining the choices made with regard to the composition of the supervisory board;

- carries out any additional duties as may be assigned by the Board of Directors.

The Committee may have access to any Company information and departments it deems necessary in order to perform its duties. It may also make use of external consultants, within the limits approved by the Board of Directors and in accordance with the Corporate Governance Code (art. 3, Recommendation 17, last paragraph).
The Committee has access to adequate financial resources.

The Committee reported to the Board of Directors in view of the approval of the annual and half-year financial reports on the activities performed and the adequacy of the Internal Control and Risk Management System (article 6, Recommendation 35, letter h of the Corporate Governance Code).

Specifically, in 2025, the Committee held a total of 10 meetings with an average duration of 198 minutes, including one joint meeting with the Sustainability, Governance and Scenarios Committee. It should be noted that during 2026 up to the date of approval of this Report, the Committee met three times.

In 2025, the Committee's meetings were regularly attended by all its members (98%), the Chair of the Board of Statutory Auditors and the other Statutory Auditors (about 100%), in view of the specific responsibilities for oversight of the System assigned to the Board of Statutory Auditors by current legislation governing listed companies, by the Corporate Governance Code (art. 6, Recommendation 32(f) and art. 6, Recommendation 37, second paragraph) and the Rules of Conduct of the Board of Statutory Auditors of listed companies. The attendance of each member of the Committee in office at the meetings held during 2025 is shown in Table 3 attached hereto (article 123 *bis*, paragraph 2(d), of the CLF). All the Committee's meetings were duly minuted and the Committee had access to the information and corporate functions necessary to perform its tasks.

During the meetings held in 2025, as well as in the first months of 2026, the Committee monitored and assessed the adequacy of the internal control and risk management system in compliance with the provisions of the Corporate Governance Code and the "Terna Group Internal Control and Risk Management System" guideline, receiving information and documentation from the departments concerned and from the Independent Auditors. In particular, the following topics were discussed during the meetings:

- Information on the financial transactions carried out by the Company (*inter alia*, subscription of two ESG-linked ERM loans for a total amount of 250 million euro, a 750 million euro European Green Bond issued under the EMTN Programme, financial transactions related to the raising of funds for Group investments, in particular the "Adriatic Link" project, and subscription of a 200 million euro ESG-linked term loan).
- Update on the performance of Terna shares and those of peers; sell-side and buy-side activities and shareholder analysis.
- CSRD topics, with a particular focus on the Internal Control System on Sustainability Reporting (ICSR) and on the updating of the 262 Model.
- Impairment testing procedure.
- Annual Report, including sustainability reporting. Analysis of the Tableau de Bord relating to the main risks of the Group and the Risk Plan, which confirmed the soundness of the Industrial Plan even in stressed scenarios.
- Report on the organisational, administrative and accounting structure.

- Interim Reports.
- Proposal for an advance payment on the 2025 dividend, equal to 11.92 cents per share, in line with the dividend policy.
- Tax Control Framework report, the results of which were positive.
- Update on Terna's occupational health and safety measures.
- Update on the cyber risk mitigation measures adopted by the Company.
- Half-yearly reports of the Supervisory Board, which confirmed the adequacy of the 231 Model and its correct implementation.
- Annual risk management report.
- Periodic updates on the Audit Plan, presented by the Internal Audit Manager, which confirmed the adequacy of the internal control system. The Internal Audit Department also presented the Audit Mandate (Internal Audit Charter), which defines the purpose, powers, responsibility and operational scope of the audit function.
- 2025 Development Plan.
- Summer Outlook 2025.

At its meeting of 26 March 2026, the Board of Directors assessed the Committee's duties and performance. The generally positive evaluation of the composition, size and performance of the Committee was confirmed by the Board of Directors as part of the annual review of the Board itself and its Committees.

Joint meetings of the Audit and Risk Committee and the Sustainability, Governance and Scenarios Committee

The Committee also held a joint meeting with the Sustainability, Governance and Scenarios Committee on **10 March 2025** in the presence of the Board of Statutory Auditors to discuss the indicators included in the 2024 Sustainability Report.

Section XI

Internal Control and Risk Management System

With reference to the requirements established by ESRS 2 GOV-1 par. 19, 20 b) and 22, ESRS 2 GOV-2 par. 24 and 26 as well as ESRS 2 GOV-5 par. 34 and 36, please refer to the Annual Report, in particular the sections “Corporate Governance and sustainable success” and “Governance of impacts, risks and opportunities” in the Sustainability Report.

With regard to internal control, back in December 2006, following prior research by the Internal Audit Committee (formerly the Audit, Risk and Sustainability Committee and now the Audit and Risk Committee), the Board of Directors:

- drew up the “Terna Group’s Internal Control System” (now the “Terna Group’s Internal Control and Risk Management System” or the “ICRMS”), taking its inspiration from national and international best practices. The System combines culture, capacity, rules, procedures, business practices and organisational structures that - through a suitable process of identifying, measuring, managing and monitoring the main risks - enables sound management of the business in keeping with the objectives established by the Company (art. 6, principles XVIII and XIX of the Corporate Governance Code);

- established the guidelines in the “Terna Group Internal Control and Risk Management System” (ICRMS) envisaged by the Corporate Governance Code (adopted by resolution on 19 December 2012). These guidelines set out the rules, procedures and organisational structures necessary to ensure that the main risks faced by Terna and its subsidiaries are correctly identified and suitably measured, managed and monitored, in accordance with criteria compatible with sound and proper management and in line with the strategic objectives set (art. 6, Recommendation 33(a) of the Corporate Governance Code). On the same occasion and based on the above guidelines, the Board of Directors, after prior consultation with the then Internal Control Committee, defined the nature and level of risk compatible with Terna’s and its subsidiaries’ strategic objectives. The Board of Directors verifies this definition each year when assessing the adequacy of the Internal Control and Risk Management System with respect to the nature of the company and its risk appetite. The above-mentioned guidelines of the “Terna Group’s Internal Control and Risk Management System” were subsequently updated by the Board of Directors by resolution of 15 December 2016 and submitted for the approval of the then Audit, Risk, Corporate Governance and Sustainability Committee. The Company updated guidelines for the “Terna Group’s Internal Control and Risk Management System” in order to align the provisions contained therein with the recommendations of the Corporate Governance Code.

Lastly, Terna has adopted a specific procedure for the management and communication of critical events to Top Management, which provides, among other things, that when events classified as “critical” occur, a Crisis Committee is convened, composed of Group Managers and the Chief Executive Officer, as the Executive Director in charge of the Internal Control and Risk Management System who defines the guidelines for managing and resolving critical issues. In addition, in order to monitor critical environmental, social, political, authorisation, implementation and legal issues connected with the Group’s capital expenditure projects that are planned, in progress and in service, Terna has set up a Territorial and Consents Committee, made up of Group managers, which meets to analyse the issues detected and establish the related actions to contain them.

The “Terna Group’s Internal Control and Risk Management System” contributes, with reasonable certainty, to protecting the Company’s assets, the efficiency and effectiveness of business processes, the reliability of financial transactions, compliance with the law, regulations, the Articles of Association and internal procedures, the pursuit of sustainable success, and the reliability of the Company’s reporting and the information released to corporate bodies and the

market. Moreover, it is constructed considering the specific nature and type of activities carried out by Terna and the connected risks and corporate interests, with special attention paid to the part of the ICRMS that aims to safeguard the continuity of the electricity service and guarantee impartial conduct in carrying out activities under concession.

The ICRMS is based on the following elements: a control environment; a risk management system; control activities; information and communication; and monitoring. The coordinated functioning of these elements determines the overall effectiveness of the ICRMS in achieving its objectives:

- the "control environment", the basis for all other components, consists of the set of ethical and cultural values, the governance and organisational model, the leadership style exercised by the company's senior and middle management and staff management policies. This document stresses, also from a moral point of view, Terna's unique position. It refers to the need to comply with generally accepted ethical standards that are immediately recognisable to everyone, and to adapt them to the nature of the Group;
- the "risk management system" implemented by the Company's senior and middle management starts from the definition of business objectives (strategic plans, budgets, key performance measures, the risk appetite) and enables the various levels of the organisation to identify the main risks to which individual processes are exposed and the related action plans. These action plans are to prevent and manage risk in order to keep it within acceptable limits, monitoring the results and the effects on performance over time. The risk management models and methods adopted (inspired by leading national and international best practices), and the roles and responsibilities within the organisation, are defined in specific corporate procedures and policies. In particular, during 2025, to define in a timely manner the procedures, roles and responsibilities related to the Risk Management System and the assessment activities carried out during the year, the LG038 Guideline "Terna's Risk Management System" was reviewed and two new operating instructions were introduced: IO002RM "Enterprise Risk Assessment" and IO003RM "Process Risk Assessment". In addition, to confirm the solidity of the model, in July 2025 Terna and the Group companies (Terna Rete Italia, Terna Energy Solutions and Terna Plus) obtained the certificate of conformity of their Risk Management System from the international Certification Body Bureau Veritas, following an audit based on standards ISO 31000 and COSO ERM and on the Corporate Governance Code;
- risk management is applied throughout the Company in accordance with a cyclical process involving systematic and repeated identification, assessment, processing and monitoring of risks. It is also broken down into three levels, each with different objectives and associated responsibilities, which are coordinated in order to ensure the consistency, effectiveness and efficiency of the controls for monitoring and assessing the adequacy of the functioning of the ICRMS as a whole, and also ensuring unambiguous and consistent reporting to senior management and the corporate bodies of the risks to which the Company and its subsidiaries are exposed. Moreover, in accordance with the provisions of the guidelines in the "Terna Group's Internal Control and Risk Management System", the role of the Chief Risk Officer (CRO) has been introduced;
- "control activities", spread across all organisational levels, are carried out according to specific rules that require activities to be carried out at different "control levels". Three levels of control with different characteristics can be identified in Terna. First level controls, carried out by the management and staff of the Terna Group, based on basic principles such as hierarchical control, accountability, traceability and the simple reconstruction of the actions performed, the establishment of checkpoints, with the potential for blocks halting subsequent steps in the process, checks and balances and the segregation of duties. This is to ensure with reasonable certainty that the Company's objectives are achieved and responses to identified risks are implemented properly and on time. The second level of control is entrusted to organisational structures that are autonomous, independent and distinct from the structures in charge of operational activities and relates to the management of categories of goals/risks that can be achieved/reached in the operations of other corporate structures. Among these is the Compliance structure, which as of 1 August 2024 reports directly to the Head of Strategy, Digital and Sustainability, which, among other things, provides assistance and advice on corporate liability (corporate administrative liability pursuant to Italian Legislative Decree 231/2001), Antitrust, Anti-Money Laundering, Whistleblowing and Trade Compliance). The third level of control is characterised by competent and informed structures or entities that provide an independent assessment of the design and operation of the ICRMS (i.e. assurance). This level of activity is characterised by the highest degree of independence within the organisation, hierarchical and functional, possessed by the person performing it. At Terna, this level of control is

exercised by the Audit Department, whose Head is not responsible for any operational area and reports hierarchically to the Board of Directors and, on its behalf, to the Chair of the Board of Directors;

- the "information and communication" processes ensure that the Company's objectives, culture, values, roles, responsibilities and expected conduct are clearly communicated internally, while guaranteeing that disclosures to stakeholders outside the Company are correct and transparent. More specifically, internal communication is implemented clearly and directly by management.
- In managing information, a suitable level of security must be guaranteed in relation to the nature of the data. An intranet site exists to make internal communication easier, allowing for prompt and widespread notification of company events and procedures. External communication is then regulated by procedures and organisational systems that are able to guarantee the transparency and correctness of corporate communications and prevent corporate crime. With this in mind, the "Procedure for the management, processing and disclosure of corporate information concerning Terna and its subsidiaries" (for which see Section V under "Management of corporate information") and the "Procedure for Drawing Up and Updating the Insider List of Persons with Access to Inside or Potentially Inside Information" have been adopted, in compliance with the regulatory provisions and best practices in force concerning the disclosure of inside information to the public;
- "monitoring", which guarantees the effectiveness of the "Terna Group's Internal Control and Risk Management System", through recurring activities carried out by management during continuing operations and through non-recurring (or "offline") assessments, often via sample tests, which are typical of, but not exclusive to, the Internal Audit Department.

In addition, with a view to continuously monitoring governance and compliance risks, Terna has developed:

- an Internal Control System for Information Security Management based on an Information Security Framework that provides for Information Security policies and specific implementation rules governing the main Cyber Security processes (e.g. Access Management, Security Assessment, Security Incident Management) and a Cyber Security Governance model consisting of a rule system based on national and international sector standards (including: NIST, National Framework for Cyber Security and Data Protection, ISO 27001). Such a system makes it possible to identify and keep the Cyber Top Risks under control, paying constant attention to new cyber threats with Threat Modelling activities, and makes it possible to meet the obligations deriving from sector regulations (e.g. Network & Information Security - NIS2, National Cyber Security Scope - PSNC, Network Code on Cyber Security - NCCS), working together with the institutional parties concerned (e.g. National Cybersecurity Agency - ACN);
- a nerve centre for cyber event management with the Computer Emergency Readiness Team ("Terna-CERT"), which operates within Terna's Cyber Defence Centre. This structure ensures the management of Cyber Security platforms, the centralised real-time monitoring of the Group's security and the preventive and reactive monitoring of potential cyber threats; the Group also guarantees the Cyber Security Info Sharing & Threat Intelligence processes. It is also focused on Cyber Security Info Sharing & Threat Intelligence processes, specifically in collaboration with the Computer Security Incident Response Team (CSIRT) Italy and the National Anti-Cyber Crime Centre for the Protection of Critical Infrastructure (CNAIPIC);
- an integrated security plan implemented through continuous and effective cooperation with institutional partners (e.g. Italian Ministry of the Interior, Prefectures, State Police, Carabinieri, Guardia di Finanza, Fire Brigade, Navy, Civil Protection) in order to prevent and counter attacks on or damage to Terna's critical infrastructures and the risk of criminal infiltration through companies fulfilling contracts or supplies;
- a specific department dedicated to the prevention and management of corporate fraud. In order to identify potential vulnerabilities in its control system, Terna has over time developed a process inspired by industry models and best practices defined by the Association of Certified Fraud Examiners ("ACFE"), the Institute of Internal Auditors ("IIA") and the American Institute of Certified Public Accountants ("AICPA") based on the systematic analysis of conditions that may generate fraud events, identifying "critical areas", potentially critical organisational and operational situations that may give rise to such phenomena, and adopting measures to prevent their occurrence. This is done by

evaluating and monitoring the degree of exposure of processes to fraud risk, by identifying and analysing alerts/red flags of potential or actual breach of controls, the review and management of reports of potential offences, the adoption of adequate and increasingly rigorous governance and control measures for the prevention of fraud, the dissemination of a fraud prevention culture within the Company through awareness-raising and information actions. To achieve this objective, Terna has equipped itself with specialist software and databases capable of processing the related checks, both in terms of aggregate and statistical data and with a specific focus on suppliers, contracts, projects and departments;

- a Whistleblowing Guideline (LG054) to govern the system for receiving and managing reports of breaches of internal or external regulations, to ensure fairness and transparency in the conduct of business and activities, and to protect the position and image of the Company, which may cause damage or harm to the Company, such as fraud, a general risk or a potentially dangerous situation. This Guideline, adopted as early as 2016, has subsequently been promptly updated to ensure that the system also complies with the legal provisions that entered into force, firstly in 2017, with "Provisions for the protection of whistle-blowers who report offences or irregularities of which they become aware in the context of a public or private employment relationship" and then, in 2023, with Italian Legislative Decree No. 24/2023 on whistleblowing, concerning "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on the protection of persons who report breaches of national laws" and the guidelines issued by ANAC pursuant to art. 10 of the Decree. This Guideline LG054 also defines the roles and responsibilities at the various stages of the process, guaranteeing all aspects of information security, first and foremost the protection and confidentiality of the identity of the reporting person, but also that of the person reported, the person concerned and any other person mentioned in the report, as well as the content of the report and the relevant documentation, also in full compliance with the legislation on the protection of personal data;
- a further element of control developed relates to the risk-based analysis of the third parties with which Terna interfaces, with a view to curbing reputational risks arising from purchasing and selling transactions with them, by monitoring their reliability from an operating and financial point of view, international restrictive measures and morality, and paying special attention to anti-money laundering and anti-corruption indicators. With regard to the risk of international sanctions, Terna, in particular, performs systematic due diligence and has further strengthened its internal control system by formalising internal procedures to support its commitments to stakeholders. Moreover, as confirmation of the continuous commitment to the fight against corruption, in 2016 Terna adhered on a voluntary basis to the international standard ISO 37001:2016 - "Anti-bribery management systems" certifying its Anti-Corruption Management System in January 2017 and becoming the first Group in Italy to have received this certification. In this regard, since 2017, with the consent of the then Audit, Risk, Corporate Governance and Sustainability Committee, the Terna Group has adopted specific "Global Anti-Bribery Guidelines" as a complete program to prevent corruption in the public and private sectors, in activities carried out by the companies of the Terna Group or by parties who operate in the name and/or on behalf of such Group companies in Italy and abroad, thus laying down rules and guidelines in compliance with the Terna Group's anti-corruption programme that support the respect and dissemination of such programme;
- a Compliance Management System, certified according to the standard UNI ISO 37301:2021, aimed at reinforcing governance controls alongside the existing management systems and other compliance controls, providing a further guarantee regarding the management of compliance in a highly complex organisation such as the Terna Group. In this context, Terna was the first in Italy to obtain certification extended to all relevant "compliance obligations" following a certification process that began in March 2022 and ended on 4 February 2023. This certification was renewed in 2025.

The organisation of the Compliance Management System provides for the following structure:

- the Top Management, identified as Terna's CEO, which has the task of allocating appropriate and adequate resources to develop and maintain/improve the Compliance Management System, ensure performance reporting systems, establish and maintain accountability mechanisms, as well as the integration of compliance-related performance in staff performance reviews;

- the Governing Body, identified as Terna's Board of Directors, whose task is to ensure that Top Management is monitored against the achievement of compliance objectives and to supervise the activities of Top Management with respect to the Compliance Management System's operational activities;
- the Compliance Function, filled by the Chief Compliance Officer (CCO), identified as the Head of Strategy, Digital and Sustainability (SDS), operationally supported by the Compliance (CMP) organisational structure;
- an eGRC (Enterprise Governance, Risk and Compliance) system, an information tool that enables structured management of the operational risk management process, via a workflow system that manages the transmission of requests, compilation, approval and review of Risk Assessment forms. It also provides an access point for the collection and extraction of information, data and reports relating to risk management in various areas.

At its meeting on 3 February 2026, the Board of Directors, in accordance with the opinion issued by the Control and Risk Committee, deemed the Internal Control and Risk Management System to be suitable for ensuring that the main risks relating to the Terna Group are correctly identified, adequately measured, managed and monitored, and compatible with a management approach consistent with the strategic objectives and suitable for achieving an acceptable risk profile, taking into account the sector in which Terna operates, its size, organisational structure and corporate structure. (Art. 6, Recommendation 33(a) of the Corporate Governance Code).

In its report, the Audit and Risk Committee also referred on the report of the Supervisory Board, appointed pursuant to Italian Legislative Decree 231/01, on implementation of the Organisational Model at Terna, as well as on the report produced by the Chief Risk Officer (CRO) on the risk management methods employed by Terna. Annex 1 to this Report includes the principal characteristics of the Internal Control and Risk Management System with respect to the financial reporting process, including at consolidated level (pursuant to art. 123-*bis*, paragraph 2(b) of the CLF).

Chief Executive Officer

Terna's CEO, qualified as "Director in charge of the Internal Control and Risk Management System" by the Board of Directors on May 9, 2023, pursuant to the Corporate Governance Code, is responsible for establishing and maintaining the "Terna Group's Internal Control and Risk Management System". In particular, as provided for by the Corporate Governance Code, the Chief Executive Officer:

a) identifies the main corporate risks, taking into account the characteristics of the activities carried out by the company and its subsidiaries, and periodically submits them to the Board of Directors for its review (art. 6, Recommendation 34(a) of the Corporate Governance Code);

b) carries out the guidelines set out by the Board of Directors, overseeing the design, implementation and management of the Internal Control and Risk Management System and constantly checking its adequacy and effectiveness, as well as adapting it to the dynamics of the operating conditions and the legislative and regulatory framework (art. 6, Recommendation 34(b) of the Corporate Governance Code);

c) may instruct the Internal Audit Department to audit specific areas of operation and review compliance with internal rules and procedures applicable to the conduct of business. In such cases, he simultaneously informs the Chair of the Board of Directors, the Chair of the Audit and Risk Committee and the Chair of the Board of Statutory Auditors (art. 6, Recommendation 34(c) of the Corporate Governance Code);

d) reports promptly to the Audit and Risk Committee on any problems or critical issues that have emerged, or of which he has become aware in discharging his duties, enabling the committee to take any necessary action (art. 6, Recommendation 34(d) of the Corporate Governance Code).

Furthermore, the Chief Executive Officer, following consultation with the Control and Risk Committee, appoints and removes the Chief Risk Officer, ensuring that the latter is provided with the resources necessary to fulfil their responsibilities.

More specifically, in performing these activities, the Chief Executive Officer implemented the guidelines for the "Terna Group's Internal Control and Risk Management System" drawn up by the Board of Directors - as explained in the sub-section of Section XI, "Internal Control and Risk Management System" – and monitored changes in the Company's operating environment.

Chief Risk Officer

Since May 2013 (and subsequently, on 20 February 2018, 30 January 2019 and, lastly, on 23 February 2022), the **Chief Risk Officer (CRO)** - whose appointment lies with the Chief Executive Officer, subject to the agreement of the Audit and Risk Committee - is responsible for supporting senior management in the effective implementation and management of the risk management process at Group level for all types of corporate risk.

In relation to the responsibilities assigned to him, Terna's CRO:

- supports the Chief Executive Officer in the application of the risk management guidelines and policy defined by the Board of Directors;
- supports the Chief Executive Officer in defining the risk profile that can be assumed by Terna in relation to the Company's objectives;
- performs specific analyses and checks also at the request of the Chief Executive Officer;
- reviews the strategic objectives and the relevant processes for achieving them;
- in relation to Terna's general risk management model, encourages the development of methodologies and tools functional to the Risk Management process and examines the specific management and control models for the various corporate risks, and their implementation;
- examines, through periodic meetings with the heads of departments responsible for risk management, the results of their assessment and risk response activities, the improvements needed to strengthen internal controls, and the progress of ongoing projects;
- evaluates developments in both the internal context (organisation, activities performed, tools used) and the external context (exogenous factors and applicable best practices);
- spreads awareness of the company's risk culture;
- ensures coordination of the departments in charge of control activities;
- ensures integrated risk management, guaranteeing adequate reporting;
- provides assurances on the adequacy of the risk management process.

For the above activities, the CRO is supported operationally by the Enterprise Risk Management department, which reports directly to him. The scope of the CRO's activities is extended to all of Terna and its subsidiaries.

The activities are carried out in cooperation with the various heads of department, who are responsible for management of the risks related to the objectives assigned to their departments and extend to all business processes, with particular attention to the most important processes, due to their impact on the value of the Company/companies, the degree of risk they entail for business objectives or the influence they have on aspects of interest across the Company.

In order to carry out his activities, the CRO has adequate means and resources at his disposal and continuously receives information concerning the internal environment, defined strategic and operational objectives, events and occurrences of particular significance.

The CRO reports annually to the Chief Executive Officer and to the Audit and Risk Committee on the operational activities carried out, highlighting any critical issues addressed and how they were resolved.

Head of the Internal Audit Department

According to the "Terna Group's Internal Control and Risk Management System" guidelines adopted on 19 December 2012, and most recently revised on 15 December 2016, and previously referred to in this section, the "Terna Group's Internal Control and Risk Management System" provides for an Internal Audit Department, with the Head of the Internal Audit Department appointed by the Board of Directors with the prior approval of the Audit and Risk Committee (art. 6, Recommendation 33 of the Corporate Governance Code).

The Head of Internal Audit is assigned the tasks indicated in the Corporate Governance Code (art. 6, Recommendation 36 of the Corporate Governance Code) and is not assigned any operational areas; she reports hierarchically to the Board of Directors (art. 6, Recommendation 36 of the Corporate Governance Code), as represented by the Chair of the Board of Directors, and functionally to the Chief Executive Officer, who is responsible for establishing and maintaining the internal control and risk management system.

To this end, Terna's organisation has long had a specific Internal Audit Department, appointing as its head a Company manager meeting the appropriate professionalism requirements and not having any operational role or responsibilities. The appointed person, who reports to the Board of Directors, is assigned sufficient resources and means to enable them to oversee the adequacy, performance and functionality of the ICRMS, as well as being awarded remuneration in keeping with the Company's policies (art. 6, Recommendation 33(b) of the Corporate Governance Code). This arrangement has guaranteed the effectiveness of the Internal Audit department in pursuing its mission and in ensuring the compliance of its activities with the Standard for the practice of Internal Auditing, now the Global Internal Audit Standards, issued by the IIA.

By resolution of 17 February 2021, Terna's Board of Directors appointed Ms Nicoletta Buonomo, a Terna executive, as Head of the Terna Group's Internal Audit Department, effective as of 1 April 2021.

In implementation of the Corporate Governance Code (art. 6, Recommendation no. 33), the Board also tasked the Chair and the Chief Executive Officer with ensuring that the Head of the Internal Audit Department is provided with adequate resources to carry out her duties.

The Head of Internal Audit has direct access to all information relevant to the performance of her duties (art. 6, Recommendation 36 of the Corporate Governance Code).

Terna's Head of Internal Audit:

- oversees, both continuously and in relation to specific needs and in compliance with international standards, the performance and adequacy of the Internal Control and Risk Management System through the audit plan based on a structured process of analysis and prioritisation of the main risks (art. 6, Recommendation 36(a) of the Corporate Governance Code);
- prepares periodic reports containing appropriate information on her activities, how risks are being managed, and on compliance with the plans established to contain them. The periodic reports contain an assessment of the suitability of the Internal Control and Risk Management System (art. 6, Recommendation 36, letter b of the Corporate Governance Code);
- promptly reports on particularly important events (art. 6, Recommendation 36(c) of the Corporate Governance Code);
- sends the reports referred to above to the Chairs of the Board of Statutory Auditors, the Audit and Risk Committee and the Board of Directors, as well as to the Chief Executive Officer, who is responsible for the Internal Control and Risk Management System (art. 6, Recommendation 36(d) of the Corporate Governance Code);
- oversees, as part of the audit plan, the reliability of information systems, including accounting systems (art. 6, Recommendation 36(e) of the Corporate Governance Code).

The Audit plan prepared by the Head of Internal Audit is approved by the Board of Directors at least once a year, based on the opinion of the Audit and Risk Committee, and after consultation with the Board of Statutory Auditors and the Chief Executive Officer (art. 6, Recommendation 33(c) of the Corporate Governance Code).

On 19 February 2025, Terna's Board of Directors, after consultation with the Audit and Risk Committee, approved the Group's Audit Plan for 2025-2027, which outlines the audit activities that will be carried out by the Internal Audit Department over the three-year period 2025-2027.

The document, drafted by the Internal Audit Department, was developed on the basis of a three-year methodological assessment and prioritisation approach (Audit Universe 2025/2027), starting from a systematic analysis of the results of the Risk Assessment, associated with the related operational processes and taking into account external sources (e.g., ARERA's regulatory framework) and internal sources (e.g., the results of previous audits). The Plan also takes into account the results of the Survey on the Internal Control System and requests from senior management.

The activities of the Head of Internal Audit take the form of audits whose scope extends to Terna and its subsidiaries. The Chief Executive Officer may request the Internal Audit Department to audit specific areas of operation and verify compliance with the internal rules and procedures applicable to the conduct of business, reporting its findings to the Chair of the Board of Directors, the Chair of the Audit and Risk Committee and the Chair of the Board of Statutory Auditors (art. 6, Recommendation 34(c) of the Corporate Governance Code).

The Audit and Risk Committee may request the Internal Audit Department to audit specific areas of operation, and to report its findings to the Chair of the Board of Statutory Auditors and the Chief Executive Officer.

The performance of Terna's Internal Audit Department is subjected to a "Full External Quality Assessment" by qualified external experts every five years. On 22 December 2023, the results of the analysis of the External Quality Review of Terna's Internal Audit Department, conducted by the consulting firm KPMG Advisory S.p.A, were transmitted. The review assigned the highest possible rating with respect to the "International Standards for the Professional Practice of Internal Audit". In particular: "Based on the work performed and the information obtained, we consider that Terna's Internal Audit Department operates in a manner that is "Generally Compliant" with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics issued by the Institute of Internal Auditors (IIA). In the lexicon of the International Standards for the Professional Practice of Internal Auditing, "generally compliant" means that Internal Audit operates according to a Mandate (Internal Audit Charter updated and approved by the Board of Directors on 11 December 2025), procedures and processes that are assessed to be in line with the GIAS (Global Internal Audit Standards). During 2025, the Internal Audit Department carried out the activities set out in the plan and also undertook additional work, conducting audits of numerous key corporate areas relating, amongst other things, to: Agile audits (Supply/Execution Chain, the National Recovery and Resilience Plan (NRRP) and other subsidised funding, relations with institutions, technical skills management, project analysis, and supporting digital solutions) on the Tyrrhenian Link and SA.CO.I.3. projects, Energy consumption data, Sustainability reporting.

The continuous auditing activities concerned, among other things: Corporate Giving, Consulting, Mergers & Acquisitions, Vulnerability Management, Cybersecurity Event Reports, Live working.

Audits were carried out on the protocols and the internal control system relating to the 231 Organisational Model at the request of the Terna Group's Supervisory Board, regarding such areas as: Corporate giving, Supplier Qualification, Legal Consultancies, Impartiality, Accidents, Intercompany Relationships, Consultancies, Connections.

In 2020, the Internal Audit Department started using a dedicated IT system to more accurately monitor improvement actions that emerge during audit activities, monitoring their progress through meetings with departmental focal points, the periodic sending of reminders and specific meetings with issue owners, and active management of changes in ownership following organisational modifications.

Analysis of reports on the Code of Ethics received through the Whistleblowing portal and by e-mail or post has been carried out to support the Ethics Committee in compliance with Italian Legislative Decree no. 24/2023 concerning "*The protection of persons who report breaches of Union law and laying down provisions concerning the protection of persons who report breaches of national laws*".

The Audit department regularly attended the coordination meetings of the second-level control departments in order to boost information sharing during the planning and execution of activities. The department also attended the meetings of the Enterprise Development Committee, the Ethics Committee, and meetings of the Steering Top Program.

Code of Ethics

ESRS G1

Since May 2002, mindful of the moral aspects involved in its core activities, Terna's Board of Directors resolved to adopt a Code of Ethics (later revised in March 2004), allowing employees and everyone entering into relations with Terna to act in such a way as to engender trust, strengthen the Company's positive reputation and create value.

In 2006, following the transformation of Terna into an independent operator in the electricity transmission market, the Code of Ethics underwent a review with the aim of providing Terna with a set of rules and principles in keeping with its new operating environment.

The Code of Ethics, which was approved by the Board of Directors on 21 December 2006, is Terna's constitutional charter, which stresses Terna's unique nature, including from a moral viewpoint. It underlines the need to respect universal ethical principles, which can be immediately recognised by everybody, as adopted by the Group. In this sense, the Code of Ethics explicitly recalls the 10 principles on human rights, labour, the environment and the fight against corruption of the Global Compact, the United Nations multi-stakeholder network, which represents the most prestigious expression of this vision, which Terna has embraced since 2009.

Terna's Code of Ethics consists of five sections, which reflect, in this order:

- Terna's fundamental ethical principles, organised into general ethical principles (legality, honesty and accountability), considered universal and therefore recognisable and acceptable to all, and into four principles that Terna believes are particularly important in view its activities and nature (sound management, respect, fairness and transparency);
- the conduct required, especially from employees, based on three important elements: loyalty to the Company, conflicts of interest and the integrity of the Company's assets;
- guidance on conduct in relations with stakeholders, made up of eight groups to which Terna wishes to maintain a consistent approach;
- Terna's commitment to comply with the Code and the conduct required in relation to certain stakeholders.

The ethical commitments undertaken by Terna with the Code of Ethics towards its stakeholders are translated into concrete and measurable objectives that Terna reports annually in the Annual Report.

The Code of Ethics is aimed at Directors, employees and all those who collaborate and work in the name and on behalf of Terna or who in any way contribute to creating value for the Group, and its contents are promoted throughout the company, including through specific training activities.

The Code of Ethics applies to all of the Terna Group's subsidiaries, in accordance with the provisions of LG050 concerning the "Adoption of the Code of Ethics in Terna Group Companies", adopted in February 2015, in order to ensure consistency within the Terna Group's governance system. This also with reference to the Confindustria Guidelines issued in relation to Italian Legislative Decree 231/01, concerning the need to provide both the holding company and the subsid-

iaries with codes of ethics that are consistent in terms of principles while respecting the autonomous peculiarities of each entity that might result from such subsidiaries' obligation to adhere to different legal systems. This guideline was last updated on 20 April 2023; among other things, the purpose of the update was to make it resilient with respect to changes in the Terna Group's structure over time.

Since 2009, Terna has set up an Ethics Committee to provide internal and external stakeholders with a specific channel for discussion on the issues of the Code of Ethics. In implementing the provisions of Italian Legislative Decree no. 24/2023 concerning whistleblowing, the Ethics Committee was given the responsibility to handle reports received and analysed by the Head of Internal Audit, in order to follow up on them. The activities of the Ethics Committee, in this regard, are governed by the specific Guideline on whistleblowing (LG054) and by the Committee's Terms of Reference (LG014), last updated on 21 March 2025.

The seven members of the Ethics Committee are appointed by the CEO, as per Internal Note 108CP. They are selected so as to represent a diverse point of view and to strike a balance among the various Terna Group companies, corporate departments, and roles.

During 2025, the Ethics Committee met 10 times to examine the reports received. With particular regard to training activities on integrity and ethics, a number of training initiatives have been organised on the Code of Ethics and Conflict of Interest, Whistleblowing, Business Ethics and Control Mechanisms. Terna's Code of Ethics can be consulted on the Terna website page: https://www.terna.it/en/Governance/business-ethics/code-ethics.

Organisational Model pursuant to Italian Legislative Decree 231/2001

With regard to that document, please refer to the information provided in the Annual Report, in particular to the section entitled "Corporate culture and business conduct policies" within the "Corporate culture and business conduct" chapter of the Sustainability Report.

Since 10 December 2002, Terna has implemented an Organisational, Management and Control Model that complies with the requirements of Legislative Decree no. 231 of 8 June 2001 ("231 Model"), which introduced into Italian law a regime of administrative (but de facto criminal) liability for legal entities in respect of certain types of offences committed in their interest or for their benefit by senior managers or their direct reports.

The 231 Organisational Model defines rules of conduct and internal organisation, within a structured and organic system of control and monitoring activities. These are designed to prevent the commission of the various types of offence envisaged by Italian Legislative Decree 231/01 ("231 Decree"), and to ensure that the Company conducts its business and activities in a fair and transparent manner, with the aim of protecting the Company's position and image and meeting its stakeholders' expectations.

The set of areas at risk of the predicate offences pursuant to the 231 Decree and the rules of conduct set out in 231 Model are the result of a risk assessment activity designed to create a tailor-made model.

The Terna Group's 231 Model is continuously monitored to assess their effectiveness and ensure they are kept up-to-date with respect to internal changes (such as changes to the organisation and/or business activities) and external changes (case law, legislative developments, best practices).

Terna has adopted the "Implementation and management of Organisational Models pursuant to Italian Legislative Decree 231/2001 within the Terna Group" guidelines, most recently updated on 30 April 2024, which describe the process for implementing and managing 231 Model, identified on the basis of relevant best practices.

Terna also promotes the adoption and effective implementation by its Italian subsidiaries of suitable systems to prevent the risk of corporate liability arising from offences; in particular, it makes each subsidiary aware of the importance of having an up-to-date internal control system suitable for preventing the commission of unlawful conduct by all those operating in its interest. In exercising their autonomy, the individual subsidiaries are therefore responsible for adopting and implementing their respective 231 Models, in accordance with the provisions of the "Implementation and management of Organisational Models pursuant to Italian Legislative Decree 231/2001 within the Terna Group" guidelines issued by the Parent Company.

With reference to its overseas subsidiaries, Terna has implemented a Global Compliance Programme (or "GCP") as a guideline aimed at providing a shared, consistent and uniform approach to harmonise efforts in promoting compliance with the principles of ethics, integrity and legality and to prevent corporate criminal liability. This document, published on the Parent Company's website in English, sets the general standards of control and principles of conduct applicable to employees, directors and other members of the management and control bodies of the foreign subsidiaries as well as, when applicable, to any third party acting in the name of and/or on behalf of a foreign subsidiary, such as providers, agents, consultants, business partners or any other counterparty in order to prevent the commission of unlawful conduct. The Global Compliance Programme, in line with the Model pursuant to Italian Legislative Decree 231/2001 adopted by Terna, is structured according to a process-based logic and, in order to meet the specific needs of each individual overseas Group company, provides for the adoption, for each of them, of a specific "Country Annex", as an integral part of the GCP itself. The "Country Annex" describes the specific corporate regulatory instruments adopted by the overseas company in line with GCP guidelines and in implementation of local corporate liability laws. It also establishes the figure of the Compliance Officer as a governance body with the task of promoting the dissemination of knowledge on the GCP and the Local Compliance Programmes and facilitating their operation through training and information activities and through the implementation of specific information flows.

The GCP was last updated on 18 December 2025 to boost its role as a central governance and compliance risk management tool, with a focus on sustainability reporting obligations.

Terna's 231 Model was last updated on 17 February 2025.

The changes were carried out following a specific risk assessment in line with the related best practices (e.g., the guidance provided by Confindustria in its guidelines) and the provisions of LG032 "Implementation and management of Organisational Models pursuant to Italian Legislative Decree 231/2001 within the Terna Group".

With reference to the relevant regulatory changes, the update took into account the most recent legislative measures integrating new predicate offences (most recently, offences relating to smuggling and excise) and amending the cases already covered by the 231 Decree (most recently, Italian Law no. 187 of 9 December 2024, which amended the offence of "Employment of illegally staying third-country nationals").

The 231 Model is currently organised into:

- a "General Section", which, among other things, describes the content of the 231 Decree, the objectives and functioning of the 231 Model, the tasks of the Supervisory Board (the body appointed by the Board of Directors pursuant to art. 6 of the 231 Decree and called upon to supervise the functioning of and compliance with the Model, its actual effectiveness and the need for updating it), information flows, and the system of sanctions;
- a "Special Section", organised by processes, in respect of which the "areas at risk" and the relevant sensitive activities are identified, i.e. those company activities in which there may be a risk of the predicate offences being committed. It also defines the specific control principles for each "risk area", as well as the general rules of conduct across all areas.

To disseminate the Model adopted, since 2010, the Company has been running a widespread, customised training and information campaign involving all employees. This involves classroom sessions, as well as e-learning modules, with content that differentiated according to the target group and based on real-life situations. In particular, during 2025, the following were provided: online courses regarding Legislative Decree 231/01; face-to-face courses on specific types of

offences and the associated risk areas, specific courses for "231 Contacts", as persons appointed to promote the effective implementation of the 231 Model; courses for obtaining the certification "SB Member; Italian Legislative Decree 231/2001 Expert"; periodic updates on new developments in the area of Italian Legislative Decree 231/01 for the staff of the department acting as Technical Secretariat of the Supervisory Board"; courses for the Group's foreign subsidiaries. In addition, other initiatives were promoted to ensure effective knowledge of the regulations and conduct to be observed by all company representatives. Specifically, significant efforts were put into informing personnel through circulation of memoranda on the main developments regarding Italian Legislative Decree 231/01 and the related legislation. Moreover, an Intranet portal has been set up, with a specific section dedicated to matters relating to Italian Legislative Decree 231/01, in which all the Models used by the Group can be accessed.

Reports of breaches to the 231 Model, in compliance with Italian Legislative Decree no. 24/2023, may be sent in accordance with the specific provisions of the 231 Model, as reported on the website https://www.terna.it/it/Governance/etica-impresa/whistleblowing.

The Supervisory Board

In compliance with the provisions of art. 6 of Italian Legislative Decree 231/01, the Parent Company and its Italian subsidiaries have entrusted the task of supervising the functionality and compliance with the respective 231 Models, and any subsequent revisions, to a Supervisory Board with autonomous powers of initiative and control. The Supervisory Board ("SB") is a collective body whose members, appointed by the Board of Directors of the Parent Company, must meet the related requirements relating to autonomy, independence, professionalism, continuity of action, integrity and absence of conflicts of interest.

The Parent Company's SB is formed as a collegial body. On 19 February 2025, the Board of Directors appointed the members of the Supervisory Board: Giulio Prosperetti (Chair and external member), Marco Gulotta (external member) and Mario Percuoco (internal member and Head of Legal Affairs).

For more information, reference should be made to the website www.terna.it – "Business ethics and compliance" section. Terna's 231 Model can be viewed on Terna's website at https://www.terna.it/it/Governance/etica-impresa/responsabilita-amministrativa and, in its English version,, https://www.terna.it/en/Governance/business-ethics/administrative-responsibility.

Auditor

Following the outcome of the single European tender process launched by the shareholder Cassa Depositi e Prestiti S.p.A. with a view to selecting a single audit firm for all its subsidiaries, and based on a reasoned proposal from the Board of Statutory Auditors, the Annual General Meeting of shareholders of 8 May 2019 voted to engage Deloitte & Touche S.p.A. to audit the Company's accounts for the period 2020-2028, thereby replacing the outgoing audit firm, PricewaterhouseCoopers S.p.A.

In drafting its recommendation regarding the engagement, which was submitted to the Annual General Meeting of 8 May 2019, the Board of Statutory Auditors conducted a preliminarily assessment of the independence of this firm with reference to Terna and the Group.

Deloitte & Touche S.p.A. is responsible for auditing Terna's separate financial statements and the Group's consolidated financial statements as of 31 December 2025, as well as for the limited review of the Terna Group's Sustainability Report pursuant to Italian Legislative Decree no. 125 of 6 September 2024 (the "Decree"), which transposes the provisions of Directive (EU) 2022/2464 ("Corporate Sustainability Reporting Directive" - CSRD) into Italian law, replacing the previous provisions on non-financial reporting (pursuant to Italian Legislative Decree no. 254/2016), relating to the 2025 financial year.

In 2025, after consulting the Board of Statutory Auditors, the Board of Directors examined the results shown by the independent auditor in the additional report addressed to the Board of Statutory Auditors, as provided for by art. 6, Recommendation 33 of the Corporate Governance Code.

In 2025, in accordance with the provisions of art. 5, paragraph 4 of Regulation (EU) 537/2014, all other contracts, other than the independent audit engagement, awarded to Deloitte & Touche S.p.A. and its associates were subjected to pre-approval by the Board of Statutory Auditors in its capacity as the Internal Control and Audit Committee.

Manager Responsible for Financial Reporting and other corporate roles and functions

In implementation of art. 154-*bis* of the CLF - introduced by Italian Law no. 262 of 28 December 2005 and subsequently amended by Italian Legislative Decree no. 303 of 29 December 2006 -, the Annual General Meeting of Terna's shareholders held on 24 May 2007 amended the Articles of Association (art. 21.4) to create the position of the Manager Responsible for Financial Reporting. The article delegates authority for appointing the Manager to the Board of Directors, based on a prior opinion from the Board of Statutory Auditors and meeting specific professionalism requirements.

The decision to assign the Board of Directors responsibility for appointing and removing the Manager Responsible for Financial Reporting was taken in line with the legislation that directly gives the Board of Directors the specific task of oversight (art. 154-*bis*, paragraph 4 of the CLF). In this regard, the Board - as part of the "Terna Group's Internal Control and Risk Management System" guidelines - expressly assigned the Chief Executive Officer the task of formulating the appointment proposal, subject to the approval of the Board of Statutory Auditors.

The Manager Responsible for Financial Reporting must also meet the integrity requirements provided for by law and the professional requirements indicated in the Articles of Association (art. 21.4).

In particular, the Manager Responsible for Financial Reporting must have at least three years' experience in:

a) a management role related to administration, finance and control activities and/or the preparation and/or analysis and/or audit and/or review of company accounts where the degree of complexity is comparable to that of the Company's accounts; or

b) auditing the accounts of companies listed in Italian regulated markets or in markets of other countries of the European Union; or

c) practicing as an accountant or as a university teacher of financial or accounting subjects.

The figure of the Manager Responsible for Financial Reporting is subject to specific "Terms of reference for the Manager Responsible for Financial Reporting", a document that defines the tasks and associated responsibilities, and the related powers and resources attributed. The document was prepared by Terna back in 2007.

This position is currently held by **Francesco Beccali**, who was appointed, after verifying the requirements of integrity and professionalism and after receiving the opinion of the Board of Statutory Auditors, by the Board of Directors on 9 August 2023, effective as of 1 September 2023.

This appointment is in line with changes in the Company's organisational structure and the functions assigned to Mr Beccali as the Chief Financial Officer, reporting directly to the Chief Executive Officer.

The Manager Responsible for Financial Reporting carries out all the activities necessary to allow the Board of Directors to carry out its oversight role as per art. 154-*bis* of the CLF.

Pursuant to art. 154-*bis*, paragraph 2 of the CLF, the Manager Responsible for Financial Reporting issues an attestation on the consistency of the Company's published documents and announcements, whether provided for by law or disclosed to the market, relating to its annual and interim accounts with its internal documents, accounting books and records. These statements have been made since the interim half-year report for 2007.

Pursuant to art. 154-*bis*, paragraph 3 of the CLF, the Manager Responsible for Financial Reporting designs suitable administrative and accounting procedures for use in preparation of the separate and consolidated financial statements and any other financial disclosures requiring his attestation. In this regard, the Manager Responsible for Financial Reporting, together with the Chief Executive Officer, issues a specific report on the separate financial statements, the condensed interim financial statements and the consolidated financial statements, attesting to the adequacy and effective application of these procedures, in accordance with paragraph 5 of the above article, in keeping with the format established in the Issuers' Regulation. These attestations have been provided since the financial statements for the year ended 31 December 2007.

The Manager Responsible for Financial Reporting, together with the Chief Executive Officer, issues the attestation on the Sustainability Report included in the Report on Operations required by Article 154-*bis*, paragraph 5-*ter*, of the CLF.

During 2025, in continuity with the activities carried out in previous years, the Manager Responsible for Financial Reporting revised:

- the scope;
- the administrative and accounting procedures;
- the assessment of the entity-level Internal Control and Risk Management System.

Upon completion of these revisions and also for the purposes of art. 154-*bis* of the CLF, the Manager Responsible for Financial Reporting carried out a specific review aimed at verifying the correct application of the procedures and attested, with a specific report on the separate financial statements, the consolidated financial statements and the condensed half-year financial statements, the adequacy and effective application of administrative and accounting procedures, as well as the correspondence of the documents with the data in the books and accounting records and their suitability to provide a true and fair view of the financial condition, results of operations and cash flows of Terna and the group of companies included in the scope of consolidation.

In order to support the Manager Responsible for Financial Reporting and the administrative bodies delegated to issue the attestation, the internal "chain" attestation process was followed for the assessments of the control system in scope.
In accordance with the provisions of the Corporate Governance Code, the Manager Responsible for Financial Reporting has, together with the Audit and Risk Committee, evaluated the proper use of accounting standards and their consistency in view of their inclusion in the consolidated financial statements (art. 6, Recommendation 35(a) of the Corporate Governance Code).

In 2024, Terna adopted a control model aimed at establishing and maintaining an Internal Control System on Sustainability Reporting (ICSR) and began its gradual implementation, to oversee the reliability of such disclosures and their compliance with the European Sustainability Reporting Standards (ESRS) and the provisions of art. 8(4) of Regulation (EU) 2020/852 (EU Taxonomy).

The ICSR provides for a periodic assessment phase of the adequacy of the design and effective application of the controls of which it is composed. The results of these assessments are analysed and evaluated by management in order to define, where appropriate, corrective actions to be implemented in the relevant processes. In this context, a system of 'chain' certifications was implemented by Terna's management and the delegated administrative bodies of the consolidated companies regarding compliance with the reporting standards of the sustainability data and information provided by them for the purpose of drawing up the Consolidated Sustainability Statement, with the specifications of Regulation 2020/852 (EU Taxonomy), and the progressive and continuous adoption of adequate internal control processes.

Coordination of the persons involved in the Internal Control and Risk Management System

The "Terna Group's Internal Control and Risk Management System" involves, each within the scope of their responsibilities, the Board of Directors, the Chief Executive Officer, the Audit and Risk Committee, the Board of Statutory Auditors, the Internal Audit Department and its Head, the Supervisory Board set up in accordance with Italian Legislative Decree no. 231 of 8 June 2001 ("SB"), the Manager Responsible for Financial Reporting appointed in accordance with art. 154-*bis* of the CLF and the Chief Risk Officer ("CRO"). In line with the recommendations of the Corporate Governance Code, the System sets out the ways in which these persons are to coordinate their activities, describing their roles and duties within the Internal Control and Risk Management System, in order to maximise the overall efficiency of the ICRMS. This is done in keeping with the respective roles and responsibilities and in order to reduce the duplication of activities (Principle XX). Pursuant to art. 6, Recommendation 37, of the Corporate Governance Code and as set forth in the Terms of Reference of the Board of Statutory Auditors (approved by the Board of Statutory Auditors at its meeting on 26 July 2021 and amended at the subsequent meeting of 15 February 2022), the Board of Statutory Auditors and the Audit and Risk Committee promptly exchange information relevant to the performance of their respective duties. The Chair of the Board of Statutory Auditors, or another member designated by him, takes part in the meetings of the Audit and Risk Committee.

The Chair of the Board of Statutory Auditors, or another member designated by him or her, also attends the meetings of Terna's Remuneration and Nominations Committee, Sustainability, Governance and Scenarios Committee and Related-Party Transactions Committee. In any case, all members of the Board of Statutory Auditors may attend the meetings of the aforementioned Committees. During 2025, the Board of Statutory Auditors attended the meetings of the Board committees.

In order to guarantee suitable coordination between the parties involved in the ICRMS, Terna arranges for:

- suitable, continuous flows of information between the parties involved in the ICRMS;
- ad hoc meetings in order to manage specific situations or events, needed to ensure the prompt control of any exposure to risks and the identification of operational issues;
- regular meetings to communicate the status of the risk management system and to plan tests:
- systematic reporting on the exposure to risks, with different information levels according to the person reported to.

Section XII

Directors' interests and related party transactions
Related-Party Transactions Committee

Even before listing its shares, Terna and its subsidiaries decided to lay the foundations for ensuring that related party transactions were carried out in compliance with the principles of procedural and substantive fairness, both in its own interests and as a duty to the market.

As of 22 February 2007, in keeping with the 2006 edition of the Corporate Governance Code, Terna defined these conditions as part of specific internal procedures submitted in advance to the then Internal Audit Committee and approved by the Board of Directors. Among other things, these procedures provided for specific reporting to the Board of Directors and Board of Statutory Auditors, which has been implemented periodically.
Following the publication of the "Regulations for Related Party Transactions" issued by CONSOB with Resolution 17221 dated 12 March 2010, subsequently amended by Resolution 17389 dated 23 June 2010 ("CONSOB Related Party Regulations"), Terna's Board of Directors - as announced to the market on 12 November 2010 – drew up these conditions within a new Procedure (the "Procedure for Related-Party Transactions"), effective as of 1 January 2011. The Procedure takes into account the new regulations, as well as the requirements of the Italian Civil Code and those of the Corporate Governance Code then applicable. The resolution was passed unanimously following a positive opinion from the Committee established for this purpose and made up of independent Directors only (as established by art. 4, paragraph 3 of the CONSOB Related Party Regulations), whose members were chosen from among the members of the Remuneration Committee at that time. Since 2011, an annual survey of related parties has been carried out, as per art. 4 of the Procedure.

The amendments to the Articles of Association required by the "Procedure for Related-Party Transactions" were approved in the resolution passed by the Annual General Meeting of 13 May 2011.

Therefore, the Procedure for Related-Party Transactions has been progressively updated to take account of changes in the regulatory context and the relevant best practices.

On 15 December 2016, the Board of Directors, unanimously, based on the positive opinion of the Related-Party Transactions Committee, resolved to extend the scope of the Procedure for Related-Party Transactions to include the Terna Group's key management personnel, as identified by the Chief Executive Officer of the Company and included in the specific "Related Parties List".

Subsequently, on 26 January 2017, proceeding with the planned three-year audit of the document, the Board of Directors unanimously, and after obtaining the approval of the Related-Party Transactions Committee, resolved to make a few, mainly formal, changes to the Procedure for Related-Party Transactions. These consisted of reformulations and clarifications, designed to make it easier for all company departments and the various parties concerned to use the document.

On 31 October 2019, the CONSOB submitted for consultation the amendments to Regulation no. 17221/2010 with the publication of a document containing "Amendments to the Regulations for Related Party Transactions, the Markets Regulation and the Issuers' Regulation regarding transparency of remuneration, asset management and proxy advisors", following the transposition of the abovementioned Shareholder Rights II Directive.

Therefore, instead of the three-year revision of the document, it was deemed appropriate to postpone the update of the "Procedure for Related-Party Transactions" until the regulatory framework had been consolidated.

Subsequently, due to the evolution of the Company's organisational structure as well as the entry into force of stricter sanctioning provisions, at its meeting of 9 December 2019, the Committee decided to carry out limited revisions, proposing, in particular, to include a paragraph on administrative sanctions regarding related party transactions.
In particular, these include art. 192-*quinquies*, introduced by Italian Legislative Decree 49/2019 and amended by Italian Legislative Decree 84 of 14 July 2020 (implementing art. 7 of Italian Law no. 117 of 4 October 2019, the "European delegation law" relating to encouragement of long-term shareholder engagement and regulation of the corporate governance system), which raised the sanctioning system's maximum penalties regarding remuneration and related party transactions. At its meeting of 16 December 2020, the Board of Directors therefore resolved on the amendments to the Procedure, undertaking also to implement a more systematic review of it, in view of the entry into force, on 1 July 2021, of the amendments made by CONSOB to Regulation no. 17221/2010 by the aforementioned Resolution no. 21624 of 10 December 2020.

At the same time, the Company decided to implement operating instructions that regulate the Guidelines' application profiles, in order to facilitate prompt identification of related party transactions from the earliest stages and ensure their correct classification. The operating instructions thus define roles and responsibilities in the process of identifying and managing transactions to be carried out with related parties and envisaged specific information flows. The operating instructions were also revised in the light of the above-mentioned regulatory changes.

On 10 December 2020, with Resolution no. 21624, CONSOB amended Regulation no. 17221 of 2010 regarding related party transactions.

The Italian regulations for related party transactions were already largely consistent with the Shareholder Rights II Directive with regard to approval procedures, transparency requirements for transactions and certain identified cases of exemption.

In view of the entry into force of the new regulations (as of 1 July 2021), the Company had initiated a new process of revision of the procedural framework.

It should be noted that, within the framework of the "Procedure for Related-Party Transactions" and pursuant to art. 4 of the CONSOB Regulation on transactions with related parties, the company had already:

- identified Related Parties, defined Related-Party Transactions and laid down the new methods for identifying, approving and executing the various categories of Related-Party Transaction;
- defined low-value transactions and the cases in which the Procedure should not be applied (in line with the provisions of art.s 13 and 14 of CONSOB's Regulation on transactions with related parties), taking into account the size of the Company and the sector in which it operates, as well as its ownership structure;
- defined the procedures for appointing the Board Committee called upon to express its opinion on individual transactions of lesser or greater significance, as well as the content of this opinion and the independence requirements for Committee members. Furthermore, specific measures have been identified should at least 3 independent, non-related Directors not be present;

- established the rules regarding cases where Terna has to examine or approve transactions carried out by Italian or foreign subsidiaries;
- established the procedures and time frames within which Directors and the Related-Party Transactions Committee should be provided with information on Related Party Transactions and the related documentation;
- taken decisions in connection with the options granted by the CONSOB's Regulations for Related Party Transactions.

In order to facilitate review by the Related-Party Transactions Committee, the Related Party Operating Instructions also regulated the phases of (i) ascertaining the nature of the related party relationship; (ii) determining that one of the hypotheses of exclusion from application of the procedure applies; and (iii) classifying a transaction as of either "material" or "less material".

Following the new CONSOB procedure, the main changes introduced to the Guideline and to the Operating Instructions concerned:

- the introduction of a subdivision by thresholds, differentiated by the nature of the counterparty, relating to exempt transactions;
- the extension of the list of excluded transactions to include transactions resolved by the Company and addressed to all shareholders on equal terms (including rights issues, full or partial demergers with proportional share allocation, share capital reductions through shareholder redemption);
- the possibility to make use - without any expense limit - of independent experts, including those appointed by Terna, subject to verification of the relative independence and provided that the appointment expressly envisages that the expert also specifically assists the Related-Party Transactions Committee in the performance of its duties pursuant to the Guidelines;
- as regards the directors involved, their obligation to inform the Chair of the Board of Directors and the Chair of the Board of Statutory Auditors, and through them the respective Boards, within two days of receipt of the notice of call and their involvement, as well as to refrain from voting on the transaction;
- with regard to information flows, the establishment, on a quarterly basis, of a report on: (i) the application of all cases of exclusion, with the sole exception of low value transactions; (ii) the correct application of the conditions for exemption with reference to material transactions classified as ordinary transactions carried out at arm's length; (iii) the checks and assessments regarding transactions carried out and excluded transactions (except for low value transactions) made to the Chief Executive Officer, the Related-Party Transactions Committee and Terna's Board of Statutory Auditors;
- with regard to the mapping of related parties, the provision that such map should be made by using also the boundaries drawn by the Administration, Finance and Control Department, which already has it available for accounting purposes. A specific IT tool was implemented in collaboration with Computershare S.p.A. with a single shareholder.

With specific reference to the Operating Instructions, the necessary changes have been made to adapt them to the new version of the Guideline. The document is designed to ensure that transactions with related parties within the Company can be rapidly identified and then submitted to the Related-Party Transactions Committee. In this sense, the role of the Advisory Board, already indicated in the previous version as a body supporting the Related-Party Transactions Committee, has been specified. In the Operating Instructions, in paragraph 3 entitled "Preliminary and research role of the Advisory Board", the activity of the Advisory Board was defined as "functional to ensuring the adequate and timely involvement of the Committee".

Both documents were submitted to the Related-Party Transactions Committee for its prior review. The Committee held a meeting on 7 June 2021 and one on 14 June 2021, issuing on the latter date a positive opinion (on the procedure and on the operating instructions) in view of the Board of Directors' meeting of 16 June 2021, where the new Guideline "Procedure for Related-Party Transactions" was approved and the Chief Executive Officer was instructed, with the express authority to sub-delegate, to update the related Operating Instructions. Subsequently, on 28 February 2022 and 17 February 2025, certain formal adjustments were made to the Procedure and Operating Instructions.
The Procedure for Related-Party Transactions adopted by the Company is available to the public on the Company's website (www.terna.it), in the Governance section.

In accordance with the provisions of the Procedure for Related-Party Transactions and since its adoption, a specific Related-Party Transactions Committee has been set up within Terna's Board of Directors, consisting of at least three independent Directors.

The Board assigned this Committee the role required by the CONSOB's Regulations for Related Party Transactions (Resolution 17221 of 12 March 2010), relating to approval of both material and less material transactions, as indicated in Terna's "Procedure for Related-Party Transactions". The Committee has been assigned the role of conducting reviews, making recommendations and providing advice in relation to the assessment and approval of the above related party transactions, as well as in relation to any proposals to amend the Procedure adopted by Terna. Moreover, by virtue of the new application procedure adopted on the matter, the Committee receives periodic reports also on excluded or less material transactions.

Specific "Terms of reference for Terna S.p.A.'s Related-Party Transactions Committee", approved in a resolution dated 12 December 2010 and effective from 1 January 2011, govern the Committee's composition, duties and operations. As is the case with other committee terms of reference, the Related-Party Transactions Committee's terms of reference underwent a specific review in 2021, during the Company's process of adaptation to the new recommendations of the Corporate Governance Code. On 15 December 2021, the Board of Directors therefore resolved on the revision of the Terms of Reference, following the positive opinion of the Committee itself . Lastly, on 13 December 2023, following the positive opinion of the Board Committee on 21 November 2023, the Company's Board of Directors approved a new revision of the Terms of Reference, introducing two revisions in each of the Board Committees' Terms of Reference for consistency purposes. In particular, it was provided that: (i) the minimum attendance percentage at meetings be increased from 75% to 80% and (ii) that the meeting be considered to be held in the place where the Chair of the Committee is located, with the clarification that the Chair and Secretary may be in separate places and without prejudice to the possibility of remote connection.

The Company's budget provides adequate financial resources to fund the work of the Related-Party Transactions Committee. The Chair of the Committee, with the assistance of the Secretary to the Committee and in coordination with the Secretariat of the Board of Directors, may from time to time invite to the meetings, with reference to the Transactions on the agenda, the Chair of the Board of Directors, the CEO, other members of the Board of Directors as well as other members of Terna's organisation or other persons whose presence may be useful for the better performance of the Committee's functions.

As of 9 May 2023, the Committee is composed as follows: Anna Chiara Svelto (Chair), Marco Giorgino (member), Angelica Krystle Donati (member) and Gian Luca Gregori (member).

On 8 May 2024, the Board of Directors resolved to increase the number of members of the "Related-Party Transactions Committee" to five, in order to match the number of members with that of the other Board Committees and appointed Simona Signoracci as an additional member, whilst confirming Angelica Krystle Donati, Marco Giorgino and Gian Luca Gregori, and Anna Chiara Svelto as Chair.

Two of the Committee members were taken from the slate submitted by a group of shareholders made up of asset management companies and other institutional investors, which obtained the highest number of votes.

All Committee members meet the independence requirements pursuant to the Italian Consolidated Law on Finance (art. 148, paragraph 3 of the CLF, as required by art. 147-*ter*, paragraph 4 of the CLF) and to the Corporate Governance Code (art. 2, Recommendation 7 of the Corporate Governance Code, as well as articles 2, 5 and 6 of the document "Application criteria and procedure for assessing independence"), and to art. 15.4 of Terna S.p.A. Articles of Associations.

RELATED-PARTY TRANSACTIONS COMMITTEE

	NAME	ROLE	INDEPENDENCE	
			CLF	CGC
	Anna Chiara Svelto	Chair	●	●
	Angelica Krystle Donati	Member	●	●
	Marco Giorgino	Member	●	●
	Gian Luca Gregori	Member	●	●
	Simona Signoracci	Member	●	●

During 2025, the Committee met three times. The meetings were attended regularly by all members (100%) and had an average duration of 60 minutes each. The Board of Statutory Auditors also participated in the meetings. All Committee meetings were duly recorded in minutes.

During 2025, the Committee met for the 2024 Annual Report of Committee meetings in view of the subsequent Board meeting on 25 March and in order to receive an update on the investments related to the transaction with CDP Venture Capital examined by the previous Related-Party Transactions Committee in 2022, giving its positive opinion.

The Related-Party Transactions Committee was systematically involved in the remuneration profiles of senior executives classified as Key Management Personnel. This preliminary step within the Board Committee was appropriate for maximum meticulousness and regulatory compliance, due to the presence of a specific remuneration policy within the Terna Group, which has a flexible and discretional structure on certain aspects such as those related to the remuneration of "key management personnel". This prevents - again based on an extremely strict approach - the application of the exemption provided for by the regulations on related party transactions, thus requiring the involvement of the Board Committee.

Accordingly, the Committee gave its favourable opinion on the measures to retain certain Key Management Personnel with regard to both Gross Annual Pay and variable remuneration.

During **2025**, the Committee also met to examine the guarantees granted by SACE to Terna S.p.A. to cover certain loans with the EIB and with Intesa Sanpaolo S.p.A. Given the size of the transactions and the total value of the guarantees - in application of the indices contained in Terna's Guideline for Transactions with Related Parties adopted by Terna (LG026) - the Committee was asked to assess not the convenience and correctness of the transaction, but the correct application by the Company of the aforementioned cause of exclusion. The Committee concluded that there were objective reasons to consider the transaction as ordinary and under market conditions and therefore exclude it from the procedure on related parties transactions[27].

During **2025** and in the first months of **2026**, the Committee also took note of the periodic information flows on the transactions with related parties in 2025 that were excluded from the relevant procedure.

[27] See Press Releases of 10 July 2025 and 12 July 2025.

Section XIII
Board of Statutory Auditors

Election and replacement of Statutory Auditors

The procedure for electing the members of the Board of Statutory Auditors is governed by art. 26 of the Articles of Association.

In accordance with the Company's Articles of Association, the Board of Statutory Auditors consists of three Standing Auditors and three Alternate Auditors, who are appointed by Annual General Meeting for a period of three years and may be re-elected at the end of their term of office.

All members of the Board of Statutory Auditors must meet the integrity and professionalism requirements as per art. 148, paragraph 4 of the CLF, as defined in the Decree of the Italian Ministry of Justice no. 162 of 30 March 2000, as supplemented by appropriate provisions in the Articles of Association (art. 26.1 of the Articles of Association).
Each Standing Auditor may not be a Statutory Auditor of five or more issuers and can hold other management and oversight positions in joint-stock companies according to Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, within the limits established by art. 144-*terdecies* of the Issuers' Regulation, implementing the provisions of art. 148-*bis* of the CLF.

All members of the Board of Statutory Auditors must also meet the independence requirements provided for in art. 148, paragraph 3 of the CLF as well as the requirements set forth in art. 2, Recommendation 7 of the Corporate Governance Code and referred to in the Document "Application criteria and procedure for assessing independence (pursuant to art. 2 of the Corporate Governance Code)" adopted by the Company.

Election of the entire Board of Statutory Auditors takes place, in application of the legislation on privatisations and in compliance with the provisions in Italian legislation concerning listed companies, according to a slate vote procedure. This is governed by art. 26.2 of the Articles of Association and aims to guarantee the presence on the Board of Statutory Auditors of one Standing Auditor and one Alternate Auditor nominated by non-controlling shareholders. This procedure also aims to establish – in accordance with the provisions of art. 144-*sexies*, paragraph 9 of the Issuers' Regulation - the criteria for identifying the candidate to be elected if various slates receive the same number of votes, by referring to the procedure used in electing the Board of Directors. Pursuant to art. 26.2 of the Articles of Association, slates of candidates may be submitted by shareholders who, either on their own or together with other shareholders, hold an interest of at least 1% of the voting shares in accordance with the terms and conditions provided for by law, or a lower percentage, where provided for by law or regulations, in line with the rules governing the submission of slates of candidates for election to the Board of Directors.

The submission, filing and publication of slates is subject to the same provisions of the Articles of Association governing the election of the Board of Directors, since they are consistent with the relevant laws and regulations and with art. 26 of the Articles of Association relating to the election of the Board of Statutory Auditors.

In particular, pursuant to art. 148, paragraph 2 and 147-*ter*, paragraph 1-*bis* of the CLF and 144-*sexies*, paragraph 4 of the Issuers' Regulation - slates must be submitted and filed least 25 days before the day set for the Annual General Meeting called to elect the members of the Board of Statutory Auditors.

Ownership of the minimum percentage interest required in order to submit slates is determined – in accordance with the provisions of art. 147-*ter*, paragraph 1-*bis* of the CLF – on the basis of the shares registered as belonging to the shareholder or shareholders on the date on which the slates are filed with the Company. In order prove title to the number of shares required in order to submit slates, shareholders with voting rights must present and/or deliver the relevant documentation, issued in accordance with art. 144-*sexies*, paragraph 4-quarter of the Issuers' Regulation and art. 43 of the Single Measure on post-trading issued by the CONSOB and the Bank of Italy on 13 August 2018 as amended and supplemented. This may occur after the slate has been filed, provided that it takes place within the deadline for publication of the slates (being at least 21 days prior to the scheduled date of the General Meeting called to deliberate on the election of the Board of Statutory Auditors).

Pursuant to art. 144-*sexies*, paragraph 5 of the Issuers' Regulation, in the event that on the date due for the submission of slates for the Board of Statutory Auditors only one slate has been filed, or only slates submitted by members who are connected to each other pursuant to the applicable legislation, slates may be submitted up to the third day following this date; in this case, the thresholds set forth above are reduced by half.

In accordance with the provisions of the Articles of Association and art. 144-*sexies*, paragraph 6, of the Issuers' Regulation, each shareholder may not submit or vote for more than one slate, including through a third party or trust. Shareholders belonging to the same group and shareholders who are party to a shareholders' agreement concerning shares in the Company may not submit or vote for more than one slate, including through a third party or trust. Candidates may be on one slate only or will be considered ineligible.

Slates must not include more candidates than the number to be elected. The slates must list candidates by assigning them a progressive number (art. 26.2 of the Articles of Association) and the lists must be divided into two sections, one for candidates for the position of Standing Auditor, and the other for candidates for the position of Alternate Auditor. The first of the candidates in each section of the slates must be entered in the register of auditors and must have practiced as a professional auditor for a period of at least three years.

Both the provisions of art. 26.2 on the gender balance among the Statutory Auditors to be elected, and the provisions of the Articles of Association on the integrity and professionalism requirements for Statutory Auditors, indicated under art. 26.1, apply.

In this regard, slates that, considering both sections, have three or more candidates must include, both in the first two places of the section of the slate relating to Standing Auditors and in the first two places on the slate relating to Alternate Auditors, candidates of different genders. This is to ensure that the composition of the Board of Statutory Auditors complies with existing legislation concerning the gender balance among the members of the oversight bodies of listed companies, as per art. 148, paragraph 1-*bis* of the CLF, as recently amended by the Budget Law, which requires that two-fifths of the total seats on the Board must be reserved for the least represented gender. To that end, CONSOB Communication no. 1/2020 of 30 January 2020 clarified that "with reference to the cases where corporate bodies are made up of three members and, in particular, cases where the Board of Statutory Auditors consists of three standing members" – where application of the two-fifths requirement, after rounding up, would be arithmetically impossible – rounding must be to the lower whole number.

As concerns the personal characteristics of candidates and on the basis of the independence criteria contained in the Corporate Governance Code, when drawing up the slates, shareholders are invited to assess candidates' details, including on the basis of art. 19 of Italian Legislative Decree 39/2010, according to which the members of the Board of Statutory Auditors, overall, must be familiar with the sector in which Terna operates.

To ensure a transparent procedure for the election of the Board of Statutory Auditors, the slates must, in accordance with art. 144-*sexies*, paragraph 4 of the Issuers' Regulation, be accompanied by:

a) details of the identities of the shareholders who have submitted the slates, indicating the total equity interest held;

b) a statement from shareholders other than those who hold, also as part of a group, a controlling or relative majority interest, indicating the absence of the connections referred to in art. 144-*quinquies* of the Issuers' Regulation with the latter. In this regard, CONSOB, in Communication DEM/9017893 of 26 February 2009 (concerning the "Election of the members of management and oversight bodies"), recommends that shareholders presenting a "minority slate" provide the information required with regard to the election of the Board of Statutory Auditors in this statement;

c) exhaustive information on the personal and professional characteristics of the candidates, accompanied - pursuant to art. 2400, last paragraph of the Italian Civil Code - by a list of directorships and positions as statutory auditor held within other companies, as well as a declaration from candidates certifying that they meet the requirements set by law (including the independence requirements pursuant to art. 148, paragraph 3 of the CLF) and their acceptance of the candidacy.

The slates - complete with all the information required by art. 144-*octies*, paragraph 1 of the Issuers' Regulation and CONSOB Communication DEM/9017893 of 26 February 2009 - are therefore made available to the public - in accordance with art. 148, paragraph 2 of the CLF and with art. 144-*octies*, paragraph 1 of the Issuers' Regulation - at the Company's registered office, on the Company's website and in the manner established by CONSOB, at least 21 days prior to the date of the specified General Meeting.
Pursuant to art. 148, paragraph 2 of the CLF, at least one standing auditor must be elected by non-controlling shareholders who are not connected, even indirectly, with the shareholders who have submitted or voted for the slate that obtains the highest number of votes.
In this regard, on the basis of the procedure for appointing Statutory Auditors under the "slate vote" procedure governed by art. 26.2 of the Articles of Association and art. 144-*sexies* of the Issuers' Regulation, each holder of voting rights may vote for one slate alone at the Annual General Meeting, as specified above.

With regard to the procedure for electing Statutory Auditors using a slate vote procedure, governed by art. 26.2 of the Articles of Association, the extraordinary session of the General Meeting of Terna's shareholders held on 23 March 2017 approved a number of amendments to the Articles of Association. These concerned articles 14.3 and 26.2 and were designed to supplement the rules for electing the Board of Directors and Board of Statutory Auditors by slate vote. The new provisions were applied for the first time when re-electing the Directors on 27 April 2017. In this regard, the procedure for electing Statutory Auditors using a slate vote procedure, as governed by art. 26.2 of the Articles of Association, is described below.

The procedure for electing Statutory Auditors using a "slate vote" procedure, as governed by art. 26.2 of the Articles of Association establishes that, in the progressive order in which they appear in the slate, two Standing Auditors and two Alternate Auditors are to be taken from the slate that has obtained the greatest number of shareholder votes (the "majority slate"). The remaining Standing Auditor and the remaining Alternate Auditor are instead taken from the other slates (the "minority slates"), based on whichever obtained the most votes, according to the rules described in paragraph b) of art. 14.3 relating to the election of Directors. This is to be applied separately to each of the sections into which the slates are divided and that has been submitted and voted on by shareholders who are not directly or indirectly connected, in accordance with art. 144-*quinquies* of the Issuers' Regulation, with the shareholders who submitted or voted for the majority list.

In accordance with Italian legislation on listed companies, the Articles of Association (art. 26.2) attribute the role of Chair of the Board of Statutory Auditors to the Auditor elected from the minority slate (i.e., on the basis of the resolution passed by the General Meeting of 23 March 2017, as the candidate appointed using the methods provided for in art. 14.3, paragraph b) of the Articles of Association).

For the election of Statutory Auditors who, for any reason, are not elected at the same time as the re-election of the entire Board of Statutory Auditors, as well as in all other cases in which, for any reason, it is not possible to follow the slate vote procedure, the General Meeting must adopt resolutions with the majority required by law and in such a way as to, in any event, ensure that the composition of the Board of Statutory Auditors complies with the integrity and professionalism requirements provided for in the law and the Articles of Association, as well as with the gender balance legislation

in force. The slate vote procedure is therefore only applied in the event of re-election of the entire Board of Statutory Auditors. This principle, already implicit in the legislation and in art. 26.2 of the Articles of Association, has been clarified by the amendments to the Articles of Association approved by the General Meeting of 23 March 2017, which expressly provided that - for the election of Statutory Auditors who, for whatever reason, are not elected according to the slate vote procedure described above - the General Meeting must resolve according to the majority required by law and without observing the above procedure so as to ensure that the composition of the Board of Statutory Auditors complies with current legislation, including that concerning gender balance.

In the event of the need to replace a Statutory Auditor, the terms of art. 26.2 of the Articles of Association must be applied. If one of the Statutory Auditors is replaced, without prejudice to meeting the legal requirements, the position must be filled by an Alternate Auditor from the same slate. If the replacement so effected does not restore the gender balance of the Board of Statutory Auditors required by the legislation in force, the second of the Alternate Auditors on the same slate must be appointed. If, subsequently, it is necessary to replace the other Statutory Auditor taken from the slate that obtained the greatest number of votes, the position must be filled by the additional Alternate Auditor taken from the same slate.

In addition to the provisions indicated and on the basis of the resolutions passed by the Extraordinary General Meeting of 23 March 2017, in cases in which, after voting, there is, mutatis mutandis, a situation similar to that foreseen by art. 14.3, paragraph b)-*bis* of the Articles of Association – i.e. the majority slate lacked a sufficient number of candidates to ensure that the number of candidates to be elected would be reached - the procedures pursuant to the same paragraph b)-*bis* apply, both for standing and alternate auditors, to the extent that they are compatible with the legislation in force.
If the Chair of the Board of Statutory Auditors is replaced, the position must be filled by the Alternate Auditor taken from the same slate.

When the Statutory Auditors are elected, in any of the ways provided for by the Articles of Association, the specific provisions of the Articles of Association (specifically art. 14.3 paragraph f), as referred to in art. 26.2 of the Articles of Association) on the subject of conflicts of interest also apply for the purposes of art. 2373 of the Italian Civil Code, introduced pursuant to EU Directive 2009/72/EC of 13 July 2009, and of Italian Legislative Decree no. 93 of 1 June 2011, as described in more detail in Section XVI: “General Meetings” below.

Lastly, regarding the provisions of the Articles of Association designed to ensure that the Board of Statutory Auditors as well is compliant with the laws on gender balance, as indicated above in the sub-section “Election and replacement of Directors and amendments to the Articles of Association”, it should be noted that such provisions were first introduced into the Articles of Association by the Extraordinary General Meeting of 16 May 2012, in implementation of the provisions of the Golfo-Mosca Law. These provisions, which require that at least a third of the total seats on the Board of Statutory Auditors must be reserved for the least represented gender (after rounding up in the event of fractional numbers)[28], were already applied, in line with the provisions of the Golfo-Mosca Law itself, when (i) re-electing the Board of Statutory Auditors at the Annual General Meeting of 27 May 2014, and (ii) at the time of the subsequent election of the Board by the Annual General Meeting of 27 April 2017. As described in the section on the election of the Board of Directors, the Budget Law amending art. 148, paragraph 1-*bis* of the CLF came into effect on 1 January 2020. As a result, at least two-fifths of the seats on the oversight body must be reserved for the least represented gender. However, as already noted, Consob Communication no. 1/2020 of 30 January 2020, clarified that “in cases where corporate bodies consist of three members and, in particular, in cases where the Board of Statutory Auditors consists of three standing members” – where the two-fifths criterion, after rounding up, would be arithmetically impossible to apply – rounding must be to the lower whole number.

Such provisions on gender balance were applied at the Annual General Meeting of 18 May 2020 and by the Annual General Meeting of 9 May 2023, which were called to re-elect the Board of Statutory Auditors. The share provided for by these provisions, amounting to one-third of the total number of standing members, was reserved for the less represented gender.

[28] Reduced to a fifth for the first term of office to which the Golfo-Mosca Law applies

Section XIV

Composition and activities of the Board of Statutory Auditors

The description also meets the requirements of ESRS 2 GOV-1 par. 19, 20(a) and (c) and 23 as well as ESRS 2 GOV-2 par. 24 and 26. In addition to what is described below, please see the section "Board of Statutory Auditors" in chapter "Corporate Governance and Sustainable Success" of the Sustainability Report.

The term of office of the current Board of Statutory Auditors, elected by the Annual General Meeting of 9 May 2023, will expire on the date of the Annual General Meeting held to approve the financial statements for the year ended 31 December 2025.

In accordance with the resolutions passed by that Annual General Meeting, on the basis of the slates submitted, the members of the Board of Statutory Auditors are: Mario Matteo Busso (Chair of the Board of Statutory Auditors elected from the minority slate submitted by a group of shareholders made up of asset management companies and other institutional investors, as listed in the Company's specific press release relating to publication of the Slates of 14 April 2023), Lorenzo Pozza and Antonella Tomei (Standing Auditors elected from the majority slate submitted by CDP Reti S.p.A.).

The following were elected as Alternate Auditors: Barbara Zanardi (elected from the minority slate submitted by a group of shareholders made up of asset management companies and other institutional investors, as listed in the Company's specific press release relating to publication of the Slates of 14 April 2023), Antonello Lillo and Lucrezia Iuliano (elected from the majority slate submitted by CDP Reti S.p.A.).

The average ratio between male and female Standing Auditors is 1 to 3 (about 33%), while for Alternate Auditors it is 2 to 3 (thus, about 66%).

The Statutory Auditors elected represent both slates submitted for the aforesaid Annual General Meeting. Further information on the candidate lists submitted and the result of the voting can be found on the Company's website www.terna.it , under **Governance - General Meeting of shareholders**. Following the declarations made for the nomination, the counting operations and the conclusion of the voting operations, one standing member was elected by the minority shareholders not connected, not even indirectly, with the shareholders who submitted or voted for the list that came first in terms of number of votes.

Since its appointment at the Annual General Meeting of 9 May 2023, the composition of the Board of Statutory Auditors has remained unchanged. Summaries of the professional backgrounds of the Standing Auditors are provided below.

MARIO MATTEO BUSSO

Chair of the Board of Statutory Auditors
Born in Turin
on 1 March 1951

Mario M. Busso graduated in Economics and Trade and obtained a Master's in Business Administration. He is a chartered accountant, statutory auditor, sustainability auditor and independent director. He started his professional career at Industrial National Bank in the USA, was a Partner at Arthur Andersen, a member of the Andersen Worldwide Advisory Council and of the Italian Partner Affair Group. Whilst working with the Deloitte network, he was the Partner responsible for the FSI Audit Division and a member of the Audit Management Team. He has significant experience in conducting audit engagements and the certification of financial statements for multinational companies listed on major stock exchanges in Italy, the USA, the UK and Spain.

He is a director and auditor at public interest entities, including companies listed on official stock exchanges and regulated companies. In this role, he has wide experience in corporate governance, having in-depth knowledge of the Italian Consolidated Law on Finance, the Italian Consolidated Law on Banking and of the Corporate Governance Code adopted by Borsa Italiana.

The participation in the Board's work has been achieved through assuming a range of key governance roles: partner at and audit firm, chair of boards of statutory auditors, independent director and the chair of board committees.

He holds the following positions in listed companies:

Chair of the Board of Statutory Auditors of Mediobanca S.p.A. and Terna S.p.A., Statutory Auditor of Avio S.p.A. and Sanlorenzo S.p.A.

President of the Supervisory Board of Mediobanca S.p.A., Independent Director at the ODCEC - Council of Chartered Accountants of Turin and Vice President of ANDOC - Academy of Chartered Accountants.

In addition, he is Chair of the Board of Statutory Auditors of Consorzio Florenzia, Sole Statutory Auditor of Terna Plus S.r.l. and Statutory Auditor of Temis S.r.l.

He has held the following positions:

Chair of the Board of Statutory Auditors: Saipem S.p.A., Ersel Sim S.p.A., Cepav1 and Cepav2 (Consorzio ENI Alta Velocità); Chair of the Board of Auditors of Compagnia Sanpaolo; IOR.

Statutory Auditor: Ersel Investimenti S.p.A., Banco di Credito Azzoaglio S.p.A., Fondamenta Sgr S.p.A., Permicro S.p.A.; Independent Director of FCA Bank S.p.A. and Cube Labs S.p.A.

Graduated with honours in Business Administration from Bocconi University in Milan, he works as a professor at this university teaching Accounting, International Accounting Standards and Company Valuations. He is also Director of the Master of Science in Business Administration and Law.

He is a Chartered Accountant, Auditor and consultant to numerous companies, both listed and unlisted, operating in the industrial, commercial, financial, insurance and banking sectors. During his career he has held the position of Director and Statutory Auditor in many companies, including Amplifon, Assicurazioni Generali, Edison, Gas Plus, Telecom Italia, Ariston Thermo, Bracco, H3G, Merloni Holding.

Co-founder of New Team Stprl, an independent advisory firm specialising in business and financial consultancy, he provides opinions on financial reporting and finance matters, company valuations and litigation (both civil and criminal).

He is the author of numerous publications on financial statements and the value of company capital, and is a member of the International Accounting Standards Committee at the Italian Institute of Accountancy (OIC). He is also a member of the Editorial Board of Rivista dei Dottori Commercialisti.

In 2012, he was awarded the Prize for Excellence in Research by the Rector of Bocconi University.

LORENZO POZZA

Statutory Auditor

Born in Milan
on 11 October 1966

Registered with the Order of Chartered Accountants of Siena and accredited by the Region of Tuscany as a 'Qualified Service Provider', she is listed among the Thousand Excellent Curricula (Mille Curricula Eccellenti) created by the Bellisario Foundation, a list of 1,000 leading professional women.

She is enrolled on the Official Auditors Register under Italian Ministerial Decree 07/10/93 and the Local Authority Auditors Register in bands 2 and 3. She is registered as an expert technical consultant at the Courts of Siena and Florence.

She is the Chair of the Board of Statutory Auditors of the Municipality of Siena, Standing Statutory Auditor at Kato Imer Spa, Chair of the Board of Statutory Auditors of Artema Srl, Auditor of the Terna Foundation. She was appointed 'Revisore Ufficiale dei Conti' (Official Auditor of Accounts) and was a member of the Study Commission on Statutory Auditing and Responsibilities of Control Bodies in the System of Corporate Governance at the Consiglio Nazionale Dottori Commercialisti ed Esperti Contabili (National Council of Chartered Accountants).

She has been a lecturer in Tax Law at the IED in Florence and at the Practitioners Programme at the Chartered Accountants Association of Siena.

She has served as Auditor for the Province of Siena Tourism Agency, the Municipalities of Poggibonsi (Siena) and Figline (Firenze), and several private bodies and companies. Promoter of the Informal Network of Female Entrepreneurs ‘Talento D’ for the promotion of women’s participation in management roles and boards of private and state-owned companies

ANTONELLA TOMEI

Statutory Auditor

Born in Barberino Val d’Elsa
(Florence) on 1 January 1964

The Board of Directors, as reported in the press release of 9 May 2023, at the time of the election and taking into account the information provided by the individuals concerned, ascertained that the members of the Board of Statutory Auditors elected by the Annual General Meeting of 9 May 2023 met the requirements of integrity, professionalism and independence, as well as that the Board as a whole met the requirements of competence pursuant to art. 19, paragraph 3, of Italian Legislative Decree 39/2010.

All Standing Auditors in office comply with the provisions on the limits to concurrent offices provided for in art. 148-*bis* of the CLF.

The total number of positions as director or statutory auditor in other companies according to Book V, Title V, Chapters V (S.p.A.), VI (S.A.p.A.) and VII (S.r.l.) of the Italian Civil Code, relevant for the purposes of art. 148-*bis* of the CLF, is indicated in the attached Table 2. The total number of positions relevant for the purposes of art. 144-*quinquies*decies of the Issuers' Regulation is published by CONSOB and is available on its website (www.CONSOB.it). In this regard, it should be noted that, following the amendments to articles 144-*terdecies* and 144-quaterdecies of the Issuers' Regulation introduced by CONSOB Resolution no. 18079 of 20 January 2012 (published in the Italian Official Gazette on 7 February 2012), the limits on the total number of positions and the consequent obligation to notify the CONSOB are not applicable to standing members of the Board of Statutory Auditors who hold the position of standing member of the Board of Statutory Auditors "in one issuer alone".

In 2025, the Board of Statutory Auditors held a total of 28 meetings lasting an average of approximately 87 minutes, which were duly attended by the Statutory Auditors. From January 2026 until the approval of this Report, the Board of Statutory Auditors met 4 times to carry out activities preparatory to the examination of the operating and financial data by the Board of Directors as well as the Sustainability Report.

The Board of Statutory Auditors' activities are coordinated by a Secretariat, which is managed by the General, Legal and Corporate Affairs Department. On 17 June 2025, the Board of Statutory Auditors appointed Emanuela Caminiti as its Secretary.

Following the appointment, on 9 May 2023, the Board of Statutory Auditors ascertained that the Statutory Auditors met the independence requirements set forth in the Corporate Governance Code pursuant to art. 2, Recommendations 7 and 9, transposed in the document "Application criteria and procedure for assessing independence (pursuant to art. 2 of the Corporate Governance Code)", and the requirements set forth in art. 148, paragraph 3, of the CLF and art. 19, paragraph 3, of Italian Legislative Decree 39/2010.

This result was last confirmed at the meeting of the Board of Statutory Auditors on 2 March 2026. The results of the independence assessment were reported by the Board of Statutory Auditors to the Board of Directors at its meeting on 26 March 2026. It was verified that the auditors still met the independence requirements, in light of the provisions of the Corporate Governance Code, as did the Board of Directors.

Role

Overall, in 2025 the Board of Statutory Auditors carried out its typical oversight duties as established by Italian legislation for boards of statutory auditors. These regarded (i) observance of the law and of the Memorandum of Association, including observance of best administrative practices in managing the Company; (ii) the adequacy of the organisational structure; (iii) the adequacy and effectiveness of the Internal Control and Risk Management System; (iv) the adequacy of the Company's administrative and accounting systems; (v) the methods used in effectively implementing the corporate governance rules set out in the code of conduct that the Company has committed to applying; (vi) the financial reporting process and the independent audit of the annual separate and consolidated financial statements; and (vii), in this context, compliance with the provisions of Italian Legislative Decree no. 254 of 30 December 2016, implementing Directive 2014/95/EU as regards non-financial and diversity disclosures, as well as adaptation to the provisions of Italian Legislative Decree no. 125 of 10 September 2024, implementing Directive (EU) 2022/2464 (CSRD) regarding disclosure by companies of data on environmental, social and governance-related (ESG) impacts. The Board of Statutory Auditors

also monitored the application of Italian Legislative Decree no. 138 of 4 September 2024, implementing Directive (EU) 2022/2555 (NIS2) on measures for a high common level of cybersecurity across the Union. It also verified compliance with the provisions of art. 114(2) of the Consolidated Law on Finance on reporting obligations. The Board of Statutory Auditors also monitored the independence of the Independent Auditors, verifying both observance of the applicable provisions, and the nature and quantity of the non-audit services provided to Terna and its subsidiaries by Deloitte & Touche S.p.A. and its associates.

The Board of Statutory Auditors verified the proper application of the criteria and procedures adopted by the Board of Directors in assessing the independence of its members. It also analysed implementation of the regulations pursuant to Italian Legislative Decree 231/01 and the tasks performed by the Manager Responsible for Financial Reporting pursuant to Italian Law 262/05.

In 2025, the Board of Statutory Auditors received the results of the audits conducted by the Head of Internal Audit. The Statutory Auditors regularly attended the meetings of the Board of Directors, of the Sustainability, Governance and Scenarios Committee, the Audit and Risk Committee, the Remuneration and Nominations Committee and the Related-Party Transactions Committee.

In carrying out its activity, the Board of Statutory Auditors worked closely with the Internal Audit Department and with the Sustainability, Governance and Scenarios Committee, in the manner illustrated in the previous "Section XI: Internal Control and Risk Management System" (art. 6, Recommendation 36(d) and 37 of the Corporate Governance Code), as well as with the Supervisory Board established pursuant to Italian Legislative Decree 231/01, with the Manager Responsible for Financial Reporting pursuant to Italian Law 262/05, as well as with the boards of statutory auditors of subsidiaries and with their independent auditors, exchanging relevant information enabling them to perform their respective duties.

In particular, the Board of Statutory Auditors, in carrying out its oversight activities, pursuant to art. 2403-*bis* of the Italian Civil Code and articles 149 and 151, paragraphs 1 and 2, of the CLF, and also in line with the provisions of the rules of conduct of the Board of Statutory Auditors drawn up by the National Council of Chartered Accountants, as amended from time to time, obtained information from the supervisory bodies of subsidiaries on the progress of company operations and specific matters, as well as on administration and control systems and the general performance of the Company's business.

In 2021, the Board of Statutory Auditors adopted Terms of Reference designed to govern the functioning and activities of the Board of Statutory Auditors. The Terms of Reference were updated respectively: at the meeting of 15 February 2022 to incorporate the qualitative-quantitative criteria of independence referred to in Article 2, Recommendation 7 of the Corporate Governance Code, adopted by Terna at the meeting of the Board of Directors of 26 January 2022; and at the meeting of 26 January 2026 in the light of the regulatory changes made, also in terms of sustainability and to make some formal revisions to adapt their contents to the internal organisational structure.

As regards the participation of the Board of Statutory Auditors in initiatives aimed at providing the Directors and Statutory Auditors with adequate knowledge of the sector in which the Company operates, its performance and development, and the related legislative and self-regulatory framework, as provided for in art. 3, Recommendation 12(d) of the Corporate Governance Code, reference should be made to the description provided above in the sub-section of Section IV, "Composition", in the paragraph on the "Induction programme".

Self-assessment of the Board of Statutory Auditors

Despite the appointment of the new Board, the company maintained its decision to carry out the self-assessment process, also for the benefit of the control body. By resolution of 24 January 2024, the Company's Board of Directors, with the approval of the competent committee, therefore resolved to appoint an external consultant to provide consultancy services for the purpose of carrying out the self-assessment of the Company's Board of Statutory Auditors. The self-assessment process mainly concerned composition, exercise of powers and functioning.

The self-assessment was conducted in the form of a specific questionnaire, prepared by the consulting firm, to be completed by the Statutory Auditors. The responses provided were then expanded on in the course of interviews with individual members in order to further examine the various issues and obtain their comments and opinions.

The process was documented in a report prepared by the consulting firm and presented to the Board of Statutory Auditors at the meeting held on 2 March 2026. The report contains a positive assessment of the Board of Statutory Auditors, without identifying any specific shortcomings, either individually or with regard to the Board as a whole, requiring attention in accordance with the above Rules of Conduct.

As required by the aforementioned Rules of Conduct, the Board of Statutory Auditors took ownership of the report and forwarded it to the Board of Directors, for its information. This activity was also reported to the Board of Directors on 26 March 2026.

Diversity Policy

Terna's Board of Directors has adopted a diversity policy relating to aspects such as age and seniority, gender, geographical origin and educational and professional background. The policies are partly designed to assist shareholders when choosing candidates in preparation for re-election of the entire Board of Statutory Auditors or when electing replacements.

To this end, the "Diversity Policy for Terna S.p.A.'s management and control bodies" (hereinafter also the "Policy" or "Diversity Policy") was approved by Terna's Board of Directors at its meeting of 20 February 2018, on the recommendation of the then Nominations Committee and the Audit, Risk, Corporate Governance and Sustainability Committee, and after consulting the Board of Statutory Auditors. In line with the provisions of art. 123-*bis* of the CLF, as amended by Italian Legislative Decree no. 254 of 30 December 2016, published in the Italian Official Gazette of 10 January 2017 and the "Guidelines on non-financial reporting (Methodology for reporting non-financial information)" published by the European Commission on 5 July 2017 (Communication 2017/C 215/01), the Policy contains a number of provisions concerning the composition of the Board of Statutory Auditors, referring first of all to the laws and regulations in force regarding the professionalism, integrity and independence requirements for statutory auditors.

In addition to the above, the Policy provides that:

- members of the Board of Statutory Auditors, taken as a whole, must be familiar with the sector in which the Company operates;
- the principles in the Policy, established with regard to the Board of Directors, also apply to the members of the Board of Statutory Auditors, insofar as they are compatible, in particular with regard to age, gender, seniority and professional experience.

On 1 March 2023, Terna's Board of Directors updated the Policy in light of the thinking developed during the Board's term of office, illustrated in more detail in the paragraph "Diversity Policies" in section IV of this Report.

Among the changes made, we point out in particular the provision that the Board of Statutory Auditors be composed of two-fifths of persons belonging to the "least represented" gender, without prejudice to the application of the criterion pursuant to article 144-undecies 1, paragraph 3 of the Issuers' Regulation, whereby rounding down is made to the lower unit if the Board is made up of three members.

On 26 February 2026, the Board of Directors, with the support of the Remuneration and Nominations Committee and the Sustainability, Governance and Scenarios Committee, resolved not to make any substantial changes to the document.

Independence

Article 2, Recommendation 9 of the Corporate Governance Code provides that all members of the oversight body meet the requirements of independence envisaged for Directors pursuant to art. 2, Recommendation 7 of the same Code. As noted above in Section IV, in 2021, the Company updated its "Application criteria and procedure for assessing independence", broadening its application to include members of the oversight body. On 26 February 2026, the Board of Directors, with the support of the Remuneration and Nominations Committee and the Sustainability, Governance and Scenarios Committee, resolved not to make any substantial changes to the document.

In the meeting on 15 February 2022, the Board of Statutory Auditors thus adopted the procedure and included it in the "Terms of Reference of the Board of Statutory Auditors of Terna S.p.A.", as amended and supplemented.

Finally, during the meeting of 2 March 2026, the Board of Statutory Auditors assessed the existence of the independence requirements for each of its members, also in light of art. 2, Recommendation 9, of the Corporate Governance Code. In carrying out the assessment, the Board considered all the information provided by each member, examining all the circumstances that could appear to compromise the independence called for by the CLF and by the Code and applied all of the criteria provided for by the Code regarding the independence of Directors (art. 2, Recommendation 9).

Remuneration

Remuneration paid to the Chair and members of the Board of Statutory Auditors was determined by the Annual General Meeting of shareholders of 9 May 2023.

During the previous term of office of the Board of Directors, the consulting company commissioned for the board review had already carried out a benchmark study on the level of remuneration of the Board of Statutory Auditors. The results of the study had been included in the guidance for shareholders, both on the occasion of the Shareholders' Meeting to re-elect the Board of Statutory Auditors of 9 May 2023, and most recently in view of the Shareholders' Meeting to re-elect the Board of Statutory Auditors of 12 May 2026, and published on the Company's website on 9 March 2026, as well as disclosed to the market.

Management of interests

The Corporate Governance Code recommends that any member of the oversight body who, either on his/her own behalf or on behalf of third parties, has an interest in a specific Company transaction, promptly and fully inform the other members of the same body and the Chair of the management body regarding the nature, terms, origin and extent of the interest.

In order to reinforce and consolidate this principle, the Board of Statutory Auditors has enshrined it in the above cited "Terms of Reference of the Board of Statutory Auditors of Terna S.p.A.", as last amended during the meeting held on 26 January 2026.

In 2025 and up to the date of approval of this Report, there have been no instances of interest on the part of any member of the Board of Statutory Auditors with respect to transactions carried out by Terna or its subsidiaries.

Section XV

Relations with shareholders and other relevant stakeholders

With reference to ESRS 2 - paragraphs 43 and 45, in addition to what is described below, please refer to the Engagement Policy and to the further information relating to the detailed map of stakeholders on the website www.terna.it (**Terna S.p.A. Engagement policy and Detailed map of stakeholders**) and to the paragraph "Relationship with Stakeholders" in the Sustainability Statement.

Since its listing on the stock exchange, the Company has deemed that it is both in its best interest and a duty to the market to establish a constant dialogue, based on a mutual understanding of the respective roles, with all shareholders and institutional investors. This dialogue is to be carried out in compliance with both the procedure for the disclosure of documents and information outside the Company and in legislation and regulations on market disclosure.

In this regard, and also considering the Company's size, it was decided that this dialogue could be facilitated by creating a number of specific units.

Accordingly, the Company set up the (i) Investor Relations, headed by Stefano Gamberini, which is responsible for managing relations with institutional investors, within the Administration, Finance and Control structure (Viale Egidio Galbani, 70, 00156 Rome - tel. 06 8313 8282 - e-mail: investor.relations@terna.it) and (ii) a unit responsible for relations with all shareholders within the Corporate Affairs and Corporate Governance department, headed by Daniela Carria (Viale Egidio Galbani, 70, 00156 Rome - tel. 06 8313 8175 - e-mail: azionisti.retail@terna.it) - (art. 1, Principle IV of the Corporate Governance Code).

The Company has further encouraged dialogue with investors by creating a specific section of its website (www.terna.it) where they can find both financial information (financial statements, half-year and quarterly reports and presentations for the financial community) and updated information and documents of interest to all shareholders (press releases, the composition of corporate bodies, the Articles of Association, and the Annual General Meetings Regulations, Corporate Governance information and documents, the Code of Ethics, and the Organisational and Management Model established pursuant to Italian Legislative Decree 231/2001, the dividend history, etc.).

In particular, in the Corporate Governance Code there is the recommendation to the Board of Directors to promote, by taking appropriate measures, dialogue with the Company's shareholders and other significant stakeholders in order to help raise the level of transparency and encourage the creation of long-term value.

In implementation of this recommendation, at the meeting held on 14 October 2021, the Company's Board of Directors adopted the "Policy for engagement with the generality of shareholders and other stakeholders of Terna S.p.A.", available on the Company's website www.terna.it, in the Governance section.

The Policy has been drawn up taking into account the guidelines published both by Assonime, in the document "*Principles for Listed Companies' Dialogue with Investors*", and by Assogestioni, in the document "*ITALIAN Shareholder Director Exchange – Italian Principles of S-D engagement*", as well as assessments of the policies adopted by other issuers, institutional investors and asset managers.

The “Policy for engagement with the generality of shareholders and other stakeholders of Terna S.p.A.” (hereinafter also the “Policy”) pursues the following objectives:

- to identify and describe the ordinary channels of direct and continuous communication and information between the Company, shareholders and other stakeholders, managed by the competent corporate departments or carried out during General Meetings;
- to promote, among the current ordinary forms of engagement, a report to the Board of Directors on the main communication and information activities with major shareholders and institutional investors;
- to introduce and regulate Shareholder-Director Engagement, consisting of direct dialogue between Directors and stakeholders (these being the Company’s shareholders, current and potential Institutional Investors, as well as other parties that have an interest in the shares issued by the Company interested in such engagement, following the introduction of procedures on how to carry it out, its scope, the criteria for assessing requests, as well as the related internal governance processes and procedures for participation and internal reporting.

The Policy is divided into two parts. The first is dedicated to ordinary forms of dialogue, generally carried out and managed by the competent corporate departments, which represent the first point of contact between the Company and the market; within this section, an activity involving reports to the Board of Directors on the results of the dialogue conducted with the main shareholders and institutional investors has been introduced. The second part of the Policy is dedicated to the Engagement, which can be activated, through an escalation mechanism that places great emphasis on ordinary forms of dialogue (i.e., conference calls, road shows, other forms of contact with the financial community, the possibility of submitting questions during Annual General Meetings or usual points of contact with the Company). Persons **entitled** to activate the Policy include current and potential shareholders and institutional investors, as well as other stakeholders with interests in the shares issued by the Company.

As regards identification of the parties involved and their respective corporate roles, the Policy assigns the **Board of Directors** the role of guiding, overseeing and monitoring application of the Policy. The task of managing engagement is split between the Chief Executive Officer and the Chair, in accordance with their respective roles.

The **Chief Executive Officer**, with the support of the CFO and the IR Department, is responsible for matters falling within the management powers entrusted to her and, more generally, ensures dialogue with Stakeholders as well as the application of the Business and Sustainability Policy; the **Chair**, with the support of the Company Secretariat, is responsible for matters of corporate governance in Shareholder - Director Engagement.

In ensuring dialogue with Stakeholders, the Policy provides for the possible involvement of one or more Directors who have the most suitable knowledge and skills to provide information pertaining to Shareholder - Director Engagement; moreover, the Board of Directors can be consulted to assess the existence of the Company’s interest in establishing dialogue with one or more Stakeholders.

The **matters** relating to Shareholder-Director Engagement correspond to those falling within the scope of responsibility entrusted to the Board of Directors and/or Board Committees. A request for Shareholder-Director Engagement on the part of a stakeholder must be submitted in writing to the IR Department at investor.relations@terna.it . The request must include the specific issues to be raised, the reasons for which activation of the Shareholder-Director Engagement is deemed necessary, the manner in which the engagement is to be conducted, the parties who, on behalf of the applicant, would take part and the relative timing. The IR department, together with the Company Secretariat and any other corporate departments involved, determine whether or not the request is relevant in terms of the application of the Engagement Policy. Should the request be deemed relevant, it is then submitted to the Chief Executive Officer.

In accordance with the provisions of the Policy, the Chief Executive Officer, with the support of the CFO, the IR Department and possibly other competent departments, therein including the Company Secretariat, assesses whether to accept the request for Shareholder-Director Engagement. If so, then the CEO decides on the related procedures (i.e., one-way, two-way, bilateral or collective) and the conditions for conducting the engagement, taking into account several factors, including, but not limited to:

a. compliance with any relevant statutory, regulatory and/or self-regulatory limitations;

b. the appropriateness and relevance of the issues to be dealt with;

c. previous activation, regarding the same issues, of other forms of engagement;

d. the potential interest in dealing with the issue for a large number of stakeholders;

e. the nature of the stakeholders involved in the engagement;

f. the size and nature of the investment in the Company;

g. the outcome of previous voting at General Meetings;

h. any activism undertaken by stakeholders involved in the engagement and/or the presence of any actual or potential conflicts of interest;

i. the actual relevance of the engagement and its foreseeable usefulness, including within a long-term value creation perspective;

j. the foreseeable approach of stakeholders to the matters relating to the engagement;

k. the potential exposure of the Company to any forms of activism.

The Chief Executive Officer may decide to involve other departments with the knowledge and expertise best suited to providing information on the matter forming the focus of the Shareholder-Director Engagement.

The Policy provides that, when engagement meetings are held, the IR department or the Company Secretariat, with regard to the meetings in which they are respectively involved, and with support from the heads of the competent corporate departments present, are responsible for preparing brief reports on the participants, the issues raised, the answers given and any proposals and/or initiatives put forward.

The Chair ensures that the Board of Directors is informed, at the earliest possible meeting, on developments in and the significant content of dialogue with all the stakeholders, inviting the CEO to report on the outcome of engagement activities for matters falling under his responsibility. The Chief Executive Officer, with the support of the CFO and the IR Department, as well as, if necessary, the other competent functions from time to time, may also propose engagement meetings to one or more stakeholders, with the possibility of holding them remotely, on one or more topics of interest to the Company.

With specific reference to ESRS 2, paragraphs 43 and 45, it is noted that the above stakeholder engagement activities are also complemented by the regular discussions carried out in the context of the Double Materiality assessment and the updating of the Stakeholder Management Framework - as set out in the relevant company guidelines - with the aim of gathering opinions and interests through an engagement process aimed at identifying the most significant sustainability matters.

The results of stakeholder involvement were considered in the double materiality assessment, providing key elements and useful evidence to guide strategic choices, also formalised in the Sustainability Plan. The final results of the Double Materiality assessment, which also express the results of stakeholder engagement activities, are reported to the Sustainability, Governance and Scenarios Committee.

Specifically, as part of the Double Materiality assessment conducted in 2025 in application of the requirements introduced by the Corporate Sustainability Reporting Directive, an in-depth assessment of stakeholder engagement activities was carried out through a series of interviews with the representatives of the Group's main categories of stakeholders focused on the sustainability topics of greatest interest. For more details, please refer to the 2025 Consolidated Sustainability Statement, included in the 2025 Report on Operations.

Section XVI
Annual General Meetings

General Meetings Pursuant to art. 11.1 of the Articles of Association, every shareholder having the right to attend a General Meeting has a legal right to be represented by a proxy.

In order to facilitate the notification of proxies to the Company, on 18 October 2010, Terna's Board of Directors approved amendments to the Articles of Association taking into account the changes introduced by legislation regarding the rights of shareholders of listed companies, with the aim of encouraging shareholders to take an active interest in the life of the Company (Directive 2007/36/EC and the related implementing Italian Legislative Decree no. 27 dated 27 January 2010). The changes included the possibility to notify the use of proxies by electronic means and, in accordance with art. 125-*bis* of the CLF, reference to such procedure in notices of call. On that occasion, the Board of Directors deemed it appropriate to allow shareholders to appoint a Representative designated by the Company to act as their proxy and to give the designated Representative specific voting instructions, in accordance with art. 135-undecies of the CLF, without exercising the "opt-out" provided for in the CLF. Additionally, the Annual General Meeting of 13 May 2011 responded to legislation in force designed to encourage the participation of shareholders in company life by granting the Company the option of holding General Meetings in single call. This was done by appropriately amending the Articles of Association, with a view to providing shareholders and the market with a firm date for General Meetings.

Pursuant to Article 11.1, last paragraph, of the Articles of Association of the Company, in order to facilitate the collection of proxy votes from shareholders who are employees of the Company and its subsidiaries and who are members of shareholders' associations meeting relative legislative requirements, space to be used for the purposes of communication and the collection of proxies has been made available to these associations, according to the terms and conditions from time to time agreed with their authorised representatives. The provision in the Articles of Association, along the lines of the special legislation on listed companies, is intended to facilitate the collection of proxies from the shareholders employed by the Company and its subsidiaries, thus fostering their involvement in the decision-making processes of shareholders' meetings.

With regard to the right to speak at General Meetings, the Articles of Association (art. 10.1) – as amended by the Board of Directors on 18 October 2010 in implementation of Italian Legislative Decree no. 27 of 27 January 2010 - provide that only those having the right - pursuant to the legal and regulatory provisions in force – to attend and vote at General Meetings are entitled to exercise such rights.

On the basis of this provision, and in accordance with the current art. 83-*sexies* of the CLF, the right to vote and speak at Annual General Meetings must be certified by a notice to be sent to the Company by the relevant financial intermediary. The intermediary, based on its records, must indicate the name of the person entitled to vote, as shown in the records referred to in art. 83-*quater*, paragraph 3 of the CLF as of the close of business on the seventh trading day prior to the date set for the Annual General Meeting to be held in first (or single) call (i.e. the record date).

These provisions do not entail any block on subsequent trading of the Company's shares. The credit and debit registrations recorded subsequent to the above term are not relevant for the purposes of certifying the exercise of the right to vote at General Meetings. Therefore, anyone registered as an owner of the Company's shares after such date will not be allowed to attend or vote at the General Meeting.

The Company must receive notices regarding participation from intermediaries by the end of the third trading day prior to the date set for the Annual General Meeting to be held in first (or single) call. Shareholders will be entitled to attend and vote, even if the Company has received notification after the above term, provided that they are received by the time the General Meeting begins in a single call (art. 83-*sexies*, paragraph 4 of the CLF).

The Articles of Association do not permit participation at General Meetings using video or telephone services or via postal voting or voting by electronic means.

The right of shareholders to add agenda items and to submit new proposals for resolutions, as permitted by art. 30 of the Articles of Association, applies to shareholders who, also jointly, represent at least one fortieth of the share capital, as directly provided for by law (art. 126-*bis* of the CLF). On the basis of this provision, to add additional items to the agenda, shareholders may submit a written application, including by mail or electronically, in compliance with the requirements strictly necessary to identify the applicants and as indicated by the Company, within ten days of publication of the notice of call to the Annual General Meeting, Applicants must specify what additional agenda items or what additional resolutions relating to existing agenda items are being proposed, by the same deadline filing a report giving the reasons behind the proposed resolutions on the new agenda items for discussion or those behind the additional resolutions relating to existing agenda items. This must be accompanied by documentation certifying ownership of the shares in accordance with the "Single measure on post-trading issued by CONSOB and the Bank of Italy on 13 August 2018". Shareholders with voting rights may individually submit proposed resolutions for General Meetings.

Additions to agenda items to be discussed are allowed only for topics on which the Annual General Meeting is authorised by law to deliberate. These topics exclude those for which the law requires the related resolution to be based on a proposal from the Directors or on a plan put forward by them or on a report they have prepared, other than resolutions on agenda items.

In the event of additional agenda items or the submission of additional proposals, the modified agenda for the Annual General Meeting and the new proposals must be published by the same deadline as that for the notice of call, being at least fifteen days prior to the scheduled date for the Annual General Meeting. At the same time, using the same procedure envisaged for the Directors' Report on agenda items, the report submitted by shareholders must be made available to the public, accompanied by any observations from the Board of Directors.

Pursuant to art. 127-*ter* of the CLF, shareholders with voting rights at Annual General Meetings may ask questions on agenda items, including prior to the Annual General Meeting. The notice of call to the General Meeting must specify the procedure and the deadline for any questions to be submitted to the Company prior to the Meeting. Questions must be submitted by the fifth trading day prior to the Annual General Meeting or the day indicated in art. 83-*sexies*, paragraph 2 of the CLF (i.e. the record date), if the notice of call requires the Company to reply to the questions received before the Annual General Meeting.

Since 3 March 2004, under a special shareholder resolution, the Company has adopted a specific set of regulations for General Meetings. These ensure the orderly and smooth conduct of General Meetings, with detailed rules for the various phases, in keeping with each shareholder's fundamental right to request clarification on the various matters being discussed, to express an opinion and to submit proposals. With the shareholder resolution of 13 May 2011, the text of the adopted "Regulations for Terna S.p.A.'s General Meetings" was amended so as to be consistent with the provisions of Italian Legislative Decree no. 27 of 27 January 2010 with regard to the exercise of certain rights by the shareholders of listed companies. On that occasion, additional amendments were introduced in order to better define the scope of certain provisions of the Regulations in the light of experience gained in applying them and to further ensure the smooth running of General Meetings. The main amendments, which were thoroughly illustrated to shareholders in a specific report to the General Meeting, regarded provisions concerning rules on the right to attend and vote in General Meetings and provisions concerning the right to pose questions regarding agenda items, including prior to the General Meeting. Specifically, with respect to the right of each shareholder to speak regarding agenda items, art. 6 of the Regulations provides that those entitled to exercise the right to vote may ask for the floor only once for the matters being discussed, presenting observations, requesting information and formulating proposals.

The request to speak may be submitted at the time the General Meeting is held and – unless otherwise stated by the Chair – until the Chair has declared the discussion on the matter closed.
The procedures for such requests and for discussing matters – and the order in which matters are discussed – are established by the Chair. Considering the matter under discussion and the importance of each item discussed, as well as the number of those requesting the floor and possible questions posed by shareholders before the General Meeting that were not answered by the Company, the Chair determines beforehand the duration of any interventions and the related replies – usually not to exceed ten minutes for interventions and five minutes for replies – in order to ensure that the General Meeting can be completed in a single session. The Chair and, by his or her invitation, all those who assist him or her, reply to speakers after they have finished speaking, or after each intervention, also taking into consideration potential questions posed by shareholders before the Annual General Meeting that were not answered by the Company. Those that have asked to speak may briefly reply.

Though not considered akin to the Articles of Association, the above Regulations are approved by the Ordinary General Meeting under the specific power given to shareholders by said Articles (art. 11.2). The contents of the Regulations are aligned with the latest templates drawn up by trade associations (Assonime and ABI) for listed companies.
The "Regulations for Terna S.p.A.'s General Meetings" can be found on the Company's website in the section: "https://www.terna.it/it/Governance/ assemblea-azionisti".

The Board of Directors reports to the Annual General Meeting on the activities carried out and those planned for the future on the occasion of approval of the annual financial statements and in the report on operations. Moreover, in specific reports, the Board provides shareholders with adequate information in a timely manner, so that they can vote on resolutions with full knowledge of the facts. Further clarification, where required, is also provided in response to queries raised by shareholders during the Meeting.

In the case of resolutions submitted to the General Meeting for which the Board of Directors has not formulated a proposal of its own, controlling shareholders provide their proposal for the General Meeting with sficient advance notice. General Meetings are chaired by the Chair of the Board of Directors or, in the event of his or her absence or inability to attend, by the Deputy Chair, if appointed, or, in the absence of both, by another person designated by the Board of Directors; failing all of the above, the General Meeting appoints its own Chair (art. 12.1 of the Articles of Association).

The Chair of the General Meeting is assisted by a secretary, who need not be a shareholder, designated by those in attendance at the Chair's behest and may appoint one or more tellers (art. 12.2 of the Articles of Association and art. 4 of the Regulations for Terna S.p.A.'s General Meetings). According to the law, assistance from the secretary is not necessary if the Chair waives this assistance and the minutes of the Annual General Meeting are prepared by a notary public, even in cases when this is not required by law (art. 4 of the Regulations for Terna S.p.A.'s General Meetings). Unless otherwise required by art. 21.2 of the Articles of Association, which, in compliance with the law, assigns the Board of Directors the power to adopt certain resolutions falling within the purview of the General Meetings that may amend the Articles of Association, the General Meeting resolves on all the matters established by law or the Articles of Association (art. 13.1 of the Articles of Association), as indicated in the foregoing sub-section of Section I: "Corporate structure". Shareholder resolutions subject to exercise of the "special powers" granted to the Italian state "in relation to strategic assets in the energy, transport and communications sectors" and indicated in the "Golden Power Decree" (as described in the sub-section of **Section II** "Restriction on the transfer of shares and shares carrying special rights") must be adopted and implemented in accordance with the provisions of this Decree. Where not otherwise established by the Articles of Association, resolutions adopted by both Ordinary and Extraordinary General Meetings must be passed with the majorities established by law and applicable in individual cases (art. 13.2 of the Articles of Association). Specifically, the Articles of Association provide that: (i) in the case of related party transactions that have not received a favourable opinion from the competent body, the General Meeting shall resolve, in addition to the majority required by law, in the presence of unrelated shareholders, as defined by applicable legislation and regulations, representing at least 10% of the share capital with voting rights and with a favourable vote by the majority of said unrelated shareholders; (ii) in the case of urgent related party transactions submitted by Directors for a consultative vote, the General Meeting shall adopt resolutions with the majority required by law (art. 13.3 of the Articles of Association).

As regards the exercise of voting rights at General Meetings (as described in the subsection of Section II "Restrictions on voting rights"), the Articles of Association identify (specifically in articles 10.2, 14.3(f) and 26.2) a number of instances of conflict of interest for the purposes of art. 2373 of the Italian Civil Code under the terms of Directive 2009/72/EC (subsequently amended by Directive (EU) 2019/944) and of Italian Legislative Decree no. 93 of 1 June 2011, as subsequently amended by Italian Legislative Decree 210/2021, and subject to assessment by ARERA as part of the process certifying the Company as an electricity transmission operator according to the ownership unbundling model.

In particular, for the purposes of art. 2373 of the Italian Civil Code, the following are considered as having a conflict of interest:

a) anyone who, directly or indirectly exercising control of the Company or holding a significant equity interest in it under the terms of art. 120 of Legislative Decree 58 of 24 February 1998, operates in the sector of electricity or gas production or distribution, or who, directly or indirectly, controls a business in the electricity or gas production or distribution sector (art. 10.2 of the Articles of Association);

b) anyone who, at the time of election of the Directors, in any of the ways set forth in the Articles of Association, operates in the electricity or gas production or distribution sector or who, directly or indirectly, controls a business operating in the electricity or gas production or distribution sector or holds a significant equity interest in such a business under the terms of art. 120 of Legislative Decree no. 58 of 24 February 1998 (art. 14.3(f) of the Articles of Association). The same rule is applied during the election of the Statutory Auditors (art. 26.2 of the Articles of Association).

To this end, each participant in the Annual General Meeting must declare, under his or her own responsibility, any possible conflicts of interest.

There is no provision for electronic and/or postal voting.

In 2025, the Annual General Meeting was held on 21 May. The Company elected to take advantage of the option provided for in art. 106, paragraph 4 of Italian Decree-Law no. 18 of 17 March 2020. This meant that attendance of the Annual General Meeting by those with the right to do so could only take place through the representative designated by the Company pursuant to art. 135-undecies of the CLF, i.e., Computershare S.p.A. (the "Sole Representative"). Therefore, pursuant to art. 106, paragraph 4 of the above Italian Decree-Law no. 18 of 17 March 2020, having appropriately nominated the Sole Representative, Computershare S.p.A., to act as its proxy pursuant to art. 135-novies of the CLF, or art. 135-undecies of the CLF, attendance at the Annual General Meeting was only permitted via the representative.

The outcomes of the Annual General Meeting were promptly communicated to the market (see, in this regard, the press release dated 21 May 2025).
The Chair Igor De Biasio and the Chief Executive Officer Giuseppina Di Foggia attended the meeting in person. The Directors Angelica Krystle Donati, Anna Chiara Svelto, Simona Signoracci, Gian Luca Gregori, Francesco Renato Mele, Jean Michel Aubertin and Marco Giorgino and the Board of Statutory Auditors also participated, including remotely by phone or video.

With reference to regulations governing minority rights and in compliance with the above legislation and regulations applicable to the Company, in 2025, no significant changes took place in the Company's market capitalisation or in the composition of its shareholder base, for which the Board of Directors had to consider whether a proposal should be made to the General Meeting to amend the Articles of Association regarding the percentages established to exercise the rights and prerogatives designed to safeguard the interests of non-controlling shareholders.

Section XVII

Considerations on the letter dated 18 December 2025 from the Chair of the Corporate Governance Committee

On 18 December 2025, the Corporate Governance Committee ("The Committee") approved the 2025 Annual Report on the Evolution of Corporate Governance in Listed Companies (13th Report on the Application of the Corporate Governance Code). The Chair of Terna received the aforementioned report together with the annual Letter from the Committee where specific recommendations are made to strengthen practices and facilitate a gradual transition to the new Corporate Governance Code.

The “Thirteenth Report” provides an overview of the application of the Code’s main recommendations and constitutes the fourth analysis of the application of the new Corporate Governance Code, which was approved on 31 January 2020 and entered into force in 2021.

As is customary, the Letter contains recommendations for reports to be published in 2026 and regarding 2025. In line with previous years, it invites the chairs of listed companies to submit them, together with the Report to the Board of Directors and the competent Board Committees for their review, also recommending that the results of the analyses and in-depth studies be the subject of a specific Board discussion in order to consider: (i) the Company’s position with respect to the Committee’s Recommendations and (ii) any governance development initiatives.

The Committee also asks that the aforementioned documents are adequately considered in the reviews conducted by the Board of Directors and the board committees.

The Committee recommends that the considerations made be reported, with adequate evidence, in the next Corporate Governance Report, to allow (i) the market to assess changes in the quality of governance systems; (ii) the companies to confirm their commitment in this regard.

Lastly, it is requested that the Letter and the Report be sent to the Chair of the Board of Statutory Auditors for review, due to that body’s responsibility to oversee actual implementation of the Code.

In implementation of the above, the Letter and the “Thirteenth Report” were presented at the Sustainability, Governance and Scenarios Committee meeting of 26 January 2026 and sent by email to the Chief Executive Officer and the Chair of the Board of Statutory Auditors with a summary of the main contents of the documents.

Tthe documents were illustrated by the Chair, also in consideration of his role as Chair of Sustainability, Governance and Scenarios Committee, during the Board meeting of 26 January 2026.

At the meeting, the Chair referred to the 2026 Recommendations, noting the following.

With reference to the recommendation on the measurability of the components of the remuneration policy, Terna is already following the recommendation of the Corporate Governance Committee. Please refer to the Report on Terna S.p.A.’s Remuneration Policy and Remuneration Paid.
Regarding the recommendation concerning the development of dialogue with other relevant stakeholders, please see the “Stakeholder Management Framework” adopted by the Company, which defines the process aimed at periodically identifying, mapping and involving the stakeholders affected by Terna’s activities set out in section XV.

The document identifies the criteria for the identification of relevant stakeholders, referring to the criteria of influence and dependence on the Company. On the basis of these criteria, the stakeholders are classified into 12 categories and 53 subcategories, which make up the Group's stakeholder map, also available on the Company's website.

The guideline also involves the competent company structures, which are responsible for the operational management of direct relationships with individual categories of stakeholders. The framework adopted also includes periodically monitoring the expectations of relevant stakeholders from a sustainability perspective. This monitoring is also carried out in the context of the process of updating the double materiality assessment. For more details, please refer to the 2025 Consolidated Sustainability Statement, included in the 2025 Report on Operations.

Table 1

Information on ownership structures at 26 March 2026

Share capital structure

	NO. SHARES	NO. OF VOTING RIGHTS	LISTED (INDICATE MARKETS)/ UNLISTED	RIGHTS AND OBLIGATIONS
Ordinary shares (specifying if it is possible to have enhanced voting rights))	2,009,992,000	2,009,992,000	Euronext Milan Market organised and managed by Borsa Italiana S.p.A	Ordinary shares with enhanced voting and dividend rights provided for by law for voting shares
Preference shares	-	-	-	-
Multiple voting shares	-	-	-	-
Other categories of shares with voting rights	-	-	-	-
Savings shares	-	-	-	-
Convertible savings shares	-	-	-	-
Other categories of shares without voting rights	-	-	-	-
Other	-	-	-	-

Significant shareholders

REGISTERED SHAREHOLDER	DIRECT SHAREHOLDER	% OF ORDINARY CAPITAL	% OF VOTING CAPITAL
CDP Reti S.p.A.	CDP Reti S.p.A.	29.851%	29.851%
BlackRock Inc.	BlackRock Inc.	5.014%	5%[29]

[29] Pursuant to art. 3 of Decree-Law no. 332 of 31 May 1994, converted with amendments by Law no. 474 of 30 July 1994, no one may hold, for any reason whatsoever, shares of the Company that involve a shareholding of more than 5% of the share capital, without prejudice to the provisions of the law. Voting rights attaching to shareholdings in excess of the above-mentioned cap may not be exercised.

Table 2

Composition of the Board of Directors at the close of the financial year

Board of directors

Position	Member	Year of birth	Date of first election (*)	In office since	In office until	Slate (submitted by) (**)	Slate (M/m) (***)	Exec.	Non-exec.	Indep. as per the Code	Indep. as per the CLF	No. other positions (****)	Participation (*****)
CHAIR	Igor De Biasio	18/11/1977	09/05/2023	09/05/2023	Financial Statements 31/12/2025	Shareholders	m		√	√	√	0	9/9
CHIEF EXECUTIVE OFFICER	Giuseppina Di Foggia	16/07/1969	09/05/2023	09/05/2023	Financial Statements 31/12/2025	Shareholders	m	√				0	9/9
DIRECTOR	Stefano Cappiello (******)	10/03/1973	24/06/2025	24/06/2025	Financial Statements 31/12/2025	Shareholders	m		√	√	√	0	4/5
DIRECTOR	Regina Corradini D'Arienzo	30/05/1969	09/05/2023	09/05/2023	Financial Statements 31/12/2025	Shareholders	m		√			0	8/9
DIRECTOR	Angelica Krystle Donati	16/09/1985	09/05/2023	09/05/2023	Financial Statements 31/12/2025	Shareholders	m		√	√	√	0	9/9
DIRECTOR	Marco Giorgino	11/12/1969	08/05/2019	09/05/2023	Financial Statements 31/12/2025	Shareholders	M		√	√	√	0	9/9
DIRECTOR	Qinjing Shen	22/07/1978	26/01/2022	09/05/2023	Financial Statements 31/12/2025	Shareholders	m		√			3	9/9
DIRECTOR	Paolo Damilano (*******)	20/11/1965	29/07/2025	29/07/2025	Financial Statements 31/12/2025	Shareholders	m		√	√	√	0	4/4
DIRECTOR	Gian Luca Gregori	04/06/1961	09/05/2023	09/05/2023	Financial Statements 31/12/2025	Shareholders	m		√	√	√	1	9/9
DIRECTOR	Simona Signoracci	30/06/1960	09/05/2023	09/05/2023	Financial Statements 31/12/2025	Shareholders	m		√	√	√	0	9/9
DIRECTOR	Karina Audrey Litvack	07/12/1962	09/05/2023	09/05/2023	Financial Statements 31/12/2025	Shareholders	M		√	√	√	0	9/9
DIRECTOR	Anna Chiara Svelto	29/10/1968	09/05/2023	09/05/2023	Financial Statements 31/12/2025	Shareholders	M		√	√	√	4	9/9
DIRECTOR	Jean-Michel Aubertin	16/02/1958	18/05/2020	09/05/2023	Financial Statements 31/12/2025	Shareholders	M		√	√	√	0	9/9

Number of meetings held during the financial year: 9

Quorum required for presentation of the minority slate to appoint one or more directors (pursuant to art. 147-*ter* CLF): 0.5%[30]

Key:
BoD: Board of Directors of Terna
Position: Indicates the Chair of the BoD, Deputy Chair, Chief Executive Officer, etc.
In office since: this refers to the date on which the Director was elected to the Board of Directors of Terna for the first time for the related three-year term.
In office until: this refers to the date on which the current term of office expires, that is the date on which the financial statements for the last year of the term of office are approved.
Exec.: this is ticked "√" if the Director can be qualified as executive.
Non-exec.: this is ticked "√" if the Director can be qualified as non-executive.
Indep. - Code: this is ticked "√" if the Director can be qualified as independent according to the criteria in the Corporate Governance Code.
Indep. - CLF: this is ticked "√" if Director can be qualified as independent pursuant to art. 148, paragraph 3, of the CLF as set forth in art. 147 *ter*, paragraph 4 of the CLF.

NOTES
The following symbols are used in the "Position" column:
- • This symbol indicates the Director with responsibility for the internal control and risk management system.
- o This symbol indicates the Lead Independent Director (LID).
- (*) Date of first election refers to the date on which the Director was elected for the first time (ever) to Terna's Board of Directors.
- (**) This column indicates whether the slate from which each Director was drawn was submitted by shareholders (indicating "Shareholders") or by the Board of Directors (indicating "Board of Directors").
- (***) This column indicates the slate from which each Director was elected ("M": majority slate, "m": minority slate). In this regard, it should be noted that the slate - submitted by a group of Shareholders made up of asset management companies and other institutional investors (altogether owning 30,264,515 shares as at 9 May 2023 and representing a total of 1.50570% of Terna's share capital) - obtained the majority of the votes cast by the capital represented in the Ordinary Annual General Meeting of shareholders held on 9 May 2023 (53.641545% of the share capital). With regard to Directors Cappiello and Damilano, the Board of Directors of Terna S.p.A., on 24 June 2025 and 29 July 2025 respectively, accepted the proposal submitted by the shareholder CDP Reti S.p.A
- (****) This column indicates the number of positions as a director or statutory auditor held by the Director in other listed companies or in large companies. In this document, appointments are set out in full within the summary of the *curricula vitae*.
- (*****) This column indicates the Directors' attendance at meetings of the Board of Directors during the year under review (indicate the number of meetings attended out of the total number of meetings that could have been attended; e.g. 6/9; 9/9 etc.).

[30] CONSOB resolution no.157 of 18 February 2026.

Table 3

Composition of Board Committees at the close of the financial year

Board Committees

BOARD OF DIRECTORS		RELATED-PARTY TRANSACTIONS COMMITTEE		AUDIT AND RISK COMMITTEE		REMUNERATION AND NOMINATIONS COMMITTEE		SUSTAINABILITY, GOVERNANCE AND SCENARIOS COMMITTEE	
POSITION / QUALIFICATION	MEMBERS	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
CHAIR OF BOARD OF DIRECTORS - NON-EXECUTIVE – INDEPENDENT AS PER CLF AND CODE	Igor De Biasio	-		-		-		13/13	C
CHIEF EXECUTIVE OFFICER	Giuseppina Di Foggia	-		-		-		-	
NON-EXECUTIVE DIRECTOR – INDEPENDENT AS PER CLF AND CODE	Stefano Cappiello	-		3/3	M[31]	-		-	
NON-EXECUTIVE – NON-INDEPENDENT DIRECTOR	Regina Corradini D'Arienzo	-		-	-	11/14	M	-	-
NON-EXECUTIVE DIRECTOR – INDEPENDENT AS PER CLF AND CODE	Angelica Krystle Donati	3/3	M	-		-		-	
NON-EXECUTIVE DIRECTOR – INDEPENDENT AS PER CLF AND CODE	Marco Giorgino	3/3	M	10/10	C	-		-	
NON-EXECUTIVE – NON-INDEPENDENT DIRECTOR	Qinjing Shen	-		-		-		12/13	M
NON-EXECUTIVE DIRECTOR – INDEPENDENT AS PER CLF AND CODE	Paolo Damilano[32]	-		3/3	M	3/4	M	-	
NON-EXECUTIVE DIRECTOR – INDEPENDENT AS PER CLF AND CODE	Gian Luca Gregori	3/3	M	-		14/14	C[33]	-	
NON-EXECUTIVE DIRECTOR – INDEPENDENT AS PER CLF AND CODE	Simona Signoracci	3/3	M	-		14/14	M	13/13	M
NON-EXECUTIVE DIRECTOR – INDEPENDENT AS PER CLF AND CODE	Karina Audrey Litvack	-		10/10	M	13/14	M	-	
NON-EXECUTIVE DIRECTOR – INDEPENDENT AS PER CLF AND CODE	Anna Chiara Svelto	3/3	C	-		-		13/13	M
NON-EXECUTIVE DIRECTOR – INDEPENDENT AS PER CLF AND CODE	Jean-Michel Aubertin	-		10/10	M			12/13	M
MEMBERS WHO ARE NOT DIRECTORS									
DIRECTORS OF THE ISSUER/ OTHER									
N° OF MEETINGS HELD DURING THE YEAR:		3		10		14		13	

Notes:
(*) This column indicates the Director's attendance at Committee meetings.
(**) This column indicates the Director's qualification within the committee: "C" for Chair; "M" for Member.

[31] On 29 September 2025, the Board of Directors appointed Director Stefano Cappiello as member of the Audit and Risk Committee, replacing Director Francesco Renato Mele, who had tendered his resignation on 27 May 2025, effective upon the appointment of his successor. Before the appointment of Stefano Cappiello, Director Francesco Renato Mele participated in six meetings of the Audit and Risk Committee out of seven.

[32] On 29 September 2025, the Board of Directors appointed Director Paolo Damilano as member of the Audit and Risk Committee and of the Remuneration and Nominations Committee, replacing Director Enrico Tommaso Cucchiani, who had tendered his resignation on 28 May 2025, effective upon the appointment of his successor. Before the appointment of Paolo Damilano, Director Enrico Tommaso Cucchiani participated in six meetings of the Audit and Risk Committee out of seven and, as Chair, in 11 meetings of the Remuneration and Nominations Committee out of 14.

[33] On 29 July 2025, the Board of Directors appointed non-executive independent Director Gian Luca Gregori, already a member of the Remuneration and Nominations Committee, as chair of the Committee, replacing Director Enrico Tommaso Cucchiani, who had tendered his resignation on 28 May 2025, effective upon the appointment of his successor.

Table 4

Composition of the Board of Statutory Auditors at the close of the financial year

Board of Statutory Auditors

POSITION	MEMBER	DATE OF BIRTH	DATE OF FIRST ELECTION (*)	IN OFFICE SINCE	IN OFFICE UNTIL	SLATE (M/M) (**)	INDEP. AS PER THE CODE	PARTICIPATION IN BOARD MEETINGS (***)	NO. OTHER POSITIONS (****)
CHAIR	**Busso Mario Matteo**	01/03/1951	18/05/2020	9/05/2023	Financial statements 31.12.2025	m	√	28/28	3
STANDING AUDITOR	**Pozza Lorenzo**	11/10/1966	9/05/2023	9/05/2023	Financial statements 31.12.2025	M	√	28/28	3
STANDING AUDITOR	**Tomei Antonella**	01/01/1964	9/05/2023	9/05/2023	Financial statements 31.12.2025	M	√	28/28	0
ALTERNATE AUDITOR	**Zanardi Barbara**	03/03/1977	18/05/2020	9/05/2023	Financial statements 31.12.2025	m	√	-	1
ALTERNATE AUDITOR	**Lillo Antonello**	25/09/1972	9/05/2023	9/05/2023	Financial statements 31.12.2025	M	√	-	1
ALTERNATE AUDITOR	**Iuliano Lucrezia**	16/01/1982	9/05/2023	9/05/2023	Financial statements 31.12.2025	M	√	-	5

Number of meetings held during the financial year: 28

Quorum required for the submission of slates by non-controlling shareholders to elect one of more members (as per art. 148 CLF): 0.5%[34]

Notes:

(*) Date of first election refers to the date on which the Auditor was elected for the first time (ever) to the Issuer's Board of Statutory Auditors.

(**) This column indicates the slate from which each Auditor was elected ("M": majority slate, "m": minority slate).

(***) This column indicates the Auditors' attendance at meetings or the Board of Statutory Auditors during the year under review (indicate the number of meetings attended out of the total number of meetings that could have been attended; e.g. 6/8; 8/8 etc.).

(****) This column indicates the number of positions held by the person concerned as a director of statutory auditor pursuant to art. 148-*bis* of the CLF and the relevant implementing provisions contained in the Consob Issuers' Regulation. The full list of positions is issued by Consob on its website pursuant to art. 144-*quinquies*decies of the Consob Issuers' Regulation.

[34] CONSOB resolution no.157 of 18 February 2026.

Annex I

Main characteristics of existing risk management and internal control systems with regard to the financial reporting process (pursuant to art. 123 *bis*, paragraph 2 (b) of the CLF)

Introduction

The Terna Group has prepared the **"Financial Disclosure Control Model" (262 Model)"** governing preparation of the financial statements in terms of the attestations required by paragraphs 2 and 5 of art. 154-*bis* of the CLF, with the aim of contributing towards the assessment of the "Internal Control and Risk Management System" (hereinafter also the "ICRMS"). Moreover, with reference to the provisions of Italian Law 262/2005, it set up the detailed Internal Control over Financial Reporting system and outlined the activities that Group companies in scope need to perform to ensure its proper adoption and maintenance.

The "**262 Model**" must be considered together with the "Internal Control and Risk Management System" insofar as they are elements of the same "system" described in the "Terna Group Internal Control and Risk Management System" guidelines approved by the Board of Directors (last updated on 15 December 2016). In the aforementioned Guidelines, the ICRMS is defined as "the set of corporate culture, capabilities, rules, procedures and practices, and organisational structures, integrated with strategy setting and performance, that must be relied upon to manage risks in the creation and preservation of value aimed at defining an accountability system for the effective and efficient identification, measurement, management, mitigation and monitoring of the main risks, in order to contribute to the Group's sustainable success, consequently maintaining a high level of stakeholder confidence in the Group's governance and control".

The provisions of Italian Law 262 (of 28 December 2005, as amended by Italian Legislative Decree no. 303 of 29 December 2006) on the ICFR have the main objective of ensuring that financial reports provide a true and fair view of the company's financial condition, operating results and cash flows in accordance with generally accepted accounting standards.

On the basis of the provisions set forth in art. 154-*bis* of the CLF, the ICSR focuses on the reliability of financial reporting by establishing adequate "accounting and administrative procedures" and verifying their effective implementation. Definition of the scope and of the processes to be analysed (scoping activity) is updated by the Manager Responsible for Financial Reporting at least once a year in order to assess, identify and consider the changes that have impacted the ICSR and accordingly supplement/amend the administrative and accounting procedures.

This update is documented in order to guarantee the traceability of activities.

Description of the main characteristics of the existing risk management and internal control systems with respect to the financial reporting process

The analytical approach of the ICRMS overseeing preparation of the financial statements adopted by Terna is based on a twofold method of assessment:

Entity-level assessment

Overall assessment (brief) of individual Group companies with reference to the 5 elements that form the CoSO Report - i.e. Control Environment, the Risk Management System, Control Activity, Information, Communication and Monitoring - specifically focuses on the adequacy of financial reporting. This is essentially an analysis of the infrastructural components of the ICRMS (the oversight activities carried out by the Board of Directors, by the Audit and Risk Committee, by the Board of Statutory Auditors, as well as corporate policies and general Group policies, etc.) conducted in general terms but with a particular focus on outcomes in terms of the quality of financial reporting.

The establishment, management and assessment of the ICRMS at the individual entity level is carried out by those in charge of the various company departments (management) with regard to their respective duties, in line with the structure of the "individual entity" being assessed.

The objective of entity-level assessment is to identify any shortcomings in the entity's general controls that could potentially render even the best process control structures ineffective.

The assessment is carried out via a benchmarking activity with respect to procedures defined or referred to by official bodies or with the international best practices adopted by companies similar to the Terna Group.
This method is applied by filing in a checklist based on the five components of the control system, centred around specific audit objectives.

Controls are assessed on the basis of the following requirements, where applicable:

- existence of the control tool (organisational structure, rules, processes);
- adequate communication of the existence of the control tool identified to the relevant audience;
- understanding on the part of the company's employees of their role and responsibility in implementing the identified control tool;
- appropriate and effective monitoring of the control tool;
- management support in implementing the control tool;
- application, or action undertaken by the management aimed at ensuring compliance with the implemented control tool.

Process-level assessment

Assessment of the relevant processes by establishing guidelines that define, for each activity, the principal risks for financial reporting and the related controls aimed at mitigating them.
Process-level assessment makes it possible to assess the design and performance of controls on the corporate processes and sub-processes involved in financial reporting.

The grounds on which this assessment is based are the administrative and accounting procedures used in preparing the separate financial statements, consolidated financial statements and condensed interim financial statements. These include the execution of specific control activities aimed at preventing the occurrence of risks of significant accounting errors in carrying out the processes.

The process-level assessment, and subsequent establishment of administrative and accounting procedures, requires the selection of "significant processes". In this regard, specific scoping is necessary both to identify significant financial statement/financial disclosure items and to link significant information with processes.

The significance of financial reports is assessed with reference to the possible outcome that the omission or misrepresentation of information could determine in decisions by the users of financial statements. To that end, quantitative parameters are identified; these are normally identified as a percentage of the average pre-tax profit for the last five financial years, a method which successfully normalises the parameter. Qualitative parameters are also identified, capable of rendering information significant, even if the amount is lower than the materiality threshold identified. The identification of significant information is carried out through the combination of quantitative and qualitative parameters.

Identifying quality parameters involves considering potential "factors" making certain accounts significant, even if these do not on their own exceed the materiality threshold. Investors could demonstrate considerable interest in certain financial statement items that represent an important performance indicator for the related sector of operation. The association of information identified as being significant, due to the related input processes, makes it possible to focus on processes that can determine significant errors in financial reporting.

Each selected significant item of information/accounting item must be associated with the processes that contribute to its formation, in order to determine the significant processes.

After defining the significant information and selecting the relevant processes on the basis of qualitative and quantitative parameters, the Manager Responsible for Financial Reporting establishes the guidelines for "risk activities and controls" that represent administrative and accounting procedures, and assesses their adequacy and effective implementation (assessment of their design and performance).

To that end, the analysis of significant processes occurs through the following operational steps:

- definition and analysis of activities that make up the processes ("mapping");
- identification and assessment of risks for each activity and association of such risks with the control objectives;
- identification and assessment of existing controls.

Assessment of the activities forming the processes ("mapping") is aimed at clearly identifying the process that gives rise to the data or note to be presented in the financial statements, from identifying the initial event that originates it up to its inclusion in the financial statements or notes.

Mapping of the activities that make up the processes is conducive to the final objective of implementing checks at all stages of preparation of the data and notes in the financial statements, ensuring that information impacting on the accounts is collected, processed and transmitted in a correct and timely manner.

For every process, for the purposes of mapping and subsequently associating the risks and checks, "key" elements useful in identifying existing risks and checks must be identified. The effectiveness and design of "key" controls is tested. The effectiveness of the design and the actual operation of the "key" controls is verified through testing, i.e. monitoring activities for the purposes of art. 154 *bis* of the CLF, using verification and sampling techniques recognised by international best practices.

Where deemed necessary, control assessment can involve identifying compensating controls, corrective actions and improvement plans. The results of these activities are submitted for assessment by the Manager Responsible for Financial Reporting, who in turn reports to senior management.

Roles and Responsibilities

Manager Responsible for Financial Reporting

The Manager Responsible for Financial Reporting is responsible for:

- each year revising the scope and the assessment of significant processes, considering the change/risk factors communicated by Terna S.p.A.'s process owners and by the management of individually significant companies;
- updating the "262 Model" and the "Terms of Reference for the Manager Responsible for Financial Reporting";
- preparing and updating appropriate administrative and accounting procedures to draft the separate financial statements and the consolidated financial statements with the support of Human Resources;
- ensuring, with the cooperation of Human Resources and the relevant structures, the dissemination of administrative and accounting procedures and Action Plans;
- supporting Terna S.p.A.'s process owners and the management of individually significant companies in executing the operational, control and reporting activities that are part of their specific duties;
- in accordance with the "corporate calendar", he/she:
- requesting, collecting and consolidating the attestations made by Terna S.p.A.'s process owners and the contact persons of individually significant companies;
- makes an overall assessment of the design and performance of the Terna Group's controls;
- assessing all the shortcomings identified in terms of their materiality to financial reporting;
- collecting and examining the Action Plans received from Terna S.p.A.'s process owners and the management of individually significant companies;
- preparing, jointly with Terna S.p.A.'s Delegated Administrative Body, the certification required by Italian Law no. 262 attached to the separate financial statements, the consolidated financial statements and the half-yearly report, according to the Consob model;
- in the event of divergent opinions on the Delegated Administrative Body's assessment, prepares separate attestations; in this case, the Manager Responsible for Financial Reporting shall provide the Board of Directors and the Board of Statutory Auditors with adequate information on the reasons and motivations behind the divergent opinions.

The Manager Responsible for Financial Reporting may be assisted by qualified external companies with specialist staff in assessing the design and performance of controls over administrative and accounting procedures. The Manager Responsible for Financial Reporting may also ask at any time the Head of the Audit Department to carry out actions and tests on specific controls.

Internal Audit Department

It is responsible for:

- supporting the Manager Responsible for Financial Reporting in assessing the proper functioning of the internal control system and related risk governance mechanisms, including any IT implementations;
- coordinating with the Manager Responsible for Financial Reporting in defining the annual audit plan, as regards the part relating to the administrative and accounting processes;
- providing the Manager Responsible for Financial Reporting with a suitable flow of information in relation to the results of activities connected with the respective controls relating to the responsibilities of the Manager Responsible for Financial Reporting, following agreed methods;
- in the event of involvement of specific testing activities, ensuring the necessary collaboration and changes to the audit plan and in defining priorities also, if necessary, with the assistance of the delegated corporate body.

Terna S.p.A.'s process owners

These departments are responsible for:

- coordinating the persons in charge of individual controls (control owners), including in subsidiaries, in the performance of their duties;
- coordinating the persons in charge of individual controls, including in subsidiaries, in establishing and implementing Action Plans;
- supporting activities carried out by the Manager Responsible for Financial Reporting and ensuring access to all documents/information useful for the relevant activities
- preparing and forwarding, in the time frames established by the reporting calendar, the attestations regarding the design and performance of controls.

The management of individually significant companies

It is responsible for:

- coordinating the persons in charge of individual controls (control owners), in the performance of their duties;
- assessing, in collaboration with the Manager Responsible for Financial Reporting, the ICSR of individually significant companies;
- preparing and forwarding, in the time frame established by the reporting calendar, the attestations regarding the ICSR of individually significant companies.

Overall evaluation of the ICFR

To enable the Manager Responsible for Financial Reporting and the delegated administrative bodies to issue the attestations required by art. 154-*bis* of the CLF, a system of internal "chain" attestations has been created, with the objective of making process owners and departmental heads accountable for the purposes of ensuring the adequacy and effective implementation of the administrative and accounting procedures drawn up as part of the 262 Control Model.

The attestation, issued to the market on the basis of the template provided by Consob, is the result of a complex assessment procedure that includes:

- collecting internal "chain" attestations issued both by Terna's process owners and the management of individually significant companies. The existence of a periodic reporting flow makes it possible to carry out:
  - the periodic assessment of the design of existing controls and the consequent updating of administrative and accounting procedures;
  - the assessment of the performance of existing controls and the effective implementation of administrative and accounting procedures;
  - the assessment of shortcomings (lack of control or failure to perform control) that have come to light, with regard to their impact on financial statement disclosures;
- the assessment of the performance of administrative and accounting procedures carried out by the Manager Responsible for Financial Reporting;
- the final overall assessment of the adequacy and effective application of administrative and accounting procedures by the Chief Executive Officer and the Manager Responsible for Financial Reporting. This activity is supported by an assessment of the design and performance of specific controls. As such, it is carried out overall with reference to the probability that, following one or more significant deficiencies, a misstatement in the financial statements could occur and with reference to the risk that this misstatement may have been material. To support the Chief Executive Officer and the Manager Responsible for Financial Reporting in their final assessments of the concrete possibility that there is a material misstatement in the financial statements, where one or more significant deficiencies are identified, compensating controls may be introduced.

If such controls are successful, meaning that one or more significant deficiencies are identified, but the Chief Executive Officer and Manager Responsible for Financial Reporting are still able to issue unqualified opinions, any significant deficiencies must be promptly reported, together with the results of the compensating controls performed by the Chief Executive Officer and the Manager Responsible for Financial Reporting to Terna's Audit and Risk Committee, the Sustainability, Governance and Scenarios Committee, the Supervisory Board and the Board of Statutory Auditors.

Annex II

Main characteristics of existing risk management and internal control systems with regard to the sustainability reporting process (pursuant to art. 154 *bis*, paragraph 5 of the CLF)

Introduction

The Terna Group, in compliance with Italian Legislative Decree no. 125/2024, implementing EU Directive no. 2022/2464 of 14 December 2022 (the Corporate Sustainability Reporting Directive, abbreviated as CSRD), has prepared the "Control Model for Sustainability Reporting" (hereinafter referred to as the "ICSR Model"). The Model aims to define the principles, process and methodological approach for establishing, assessing and maintaining the Internal Control System that oversees the Terna Group's sustainability reporting. This report, due to the aforementioned new legislation, is an integral part of the Report on Operations prepared by the directors pursuant to art. 2428 of the Italian Civil Code, of which it constitutes a specially marked section. Moreover, for listed companies, the CSRD extends the list of the attestation duties of the delegated administrative bodies and of the Manager Responsible for Financial Reporting. In particular, the Manager Responsible for Financial Reporting must also certify the compliance of the Terna Group's Sustainability Reporting with the European Sustainability Reporting Standards (ESRS) envisaged by the CSRD and with Regulation (EU) 2020/852 (EU Taxonomy) (hereinafter referred to as "sustainability reporting" and/or "sustainability statement").
The **ICSR Model**, **as previously reported for the 262 Model**, must be considered together with the "Internal Control and Risk Management System" insofar as they are elements of the same "system" described in the "Terna Group Internal Control and Risk Management System" guidelines approved by the Board of Directors (last updated on 15 December 2016).

The methodologies described in the "**ICSR Model**" are based on the principles of the Internal Control - Integrated Framework ("CoSO Report") drawn up by the Committee of Sponsoring Organisations of the Treadway Commission and, in particular, with what is regulated by the supplementary guide entitled "Achieving Effective Internal Control of Sustainability Reporting (ICSR)" published in March 2023, which represents a set of reference principles, generally accepted and shared as benchmarks at an international level for the establishment and maintenance of an adequate Internal Control System in the reference framework.

The scoping phase of the Terna Group's ICSR, which is repeated by the Manager Responsible for Financial Reporting (hereinafter also referred to as "FRM" or Financial Reporting Manager) at least once a year, aims to ensure that the ICSR covers effectively the most significant KPIs present in the Sustainability Report and in the Terna Group companies included in the scope of consolidation that contribute to formation of said KPIs.
This update is documented in order to guarantee the traceability of activities.

Description of the main characteristics of the existing risk management and internal control systems with respect to the sustainability reporting process

The analytical approach of the ICSR adopted by Terna is based on a twofold method of assessment:

Entity-level assessment

The establishment, management and assessment of the ICSR at the individual entity level is carried out by the managers of the various company departments within the scope of their respective duties, in line with the structure of the "entity" being assessed.

The entity-level analysis concerns cross-cutting and infrastructural aspects of the ICSR, which mainly refer to the Terna Group's corporate management actions implemented by the Company's governance bodies and its Management. Precisely because they are infrastructural, the ability of the Chief Executive Officer and the Manager Responsible for Financial Reporting to influence these aspects, if necessary, may require a long time.

The objective of entity-level assessment is to identify any shortcomings in the entity's general controls that could potentially render even the best process control structures ineffective.

The assessment is carried out via a benchmarking activity with respect to procedures defined or referred to by official bodies or with the international best practices adopted by companies similar to the Terna Group.

The ELCs are analysed and mapped on the basis of the CoSO Report and in particular the CoSO Supplemental Guidance "Achieving Effective Internal Control Over Sustainability Reporting".

The ELCs are analysed and mapped by compiling the check list provided for by the Terna Group's 262 Model, suitably supplemented where necessary, with control objectives broken down for sustainability statement purposes.

In continuity with the Terna Group's requirements, controls are assessed on the basis of the following requirements, where applicable:

- existence of the control tool (organisational structure, rules, processes);
- adequate communication of the existence of the control tool identified to the relevant audience;
- understanding on the part of the company's employees of their role and responsibility in implementing the identified control tool;
- appropriate and effective monitoring of the control tool;
- management support in implementing the control tool;
- application, or action undertaken by the management aimed at ensuring compliance with the implemented control tool.

Process-level assessment

End-to-end process-level assessment makes it possible to assess the design and performance of controls on the corporate processes and sub-processes involved in sustainability reporting.

A prerequisite for this analysis is the preparation of procedures to draft the Sustainability Statement, which provide for the implementation of specific control activities to guard against the risk of significant errors in the Statement.
On the basis of the results of the scoping model, the Manager Responsible for Financial Reporting prepares the procedures to draft the Sustainability Statement and assesses their adequacy and effective implementation (assessment of design and performance).

To that end, the analysis of processes for forming significant KPIs occurs through the following operational steps:

- definition and analysis of activities that make up the processes ("mapping");
- identification and assessment of risks for each activity and association of such risks with the control objectives;
- identification and assessment of existing controls.

The analysis of the activities making up the processes ("mapping") is aimed at clearly identifying the KPI formation process to be presented in the Sustainability Report, from the detection of the initial event that triggered it to its inclusion in the Sustainability Report.

Mapping of the activities that make up the processes is conducive to the final objective of implementing checks at all stages of the KPI formation process, ensuring that information is collected, processed and transmitted in a correct and timely manner.

For every process, for the purposes of mapping and subsequently associating the risks and checks, "key" elements useful in identifying existing risks and checks must be identified.

The effectiveness of the design and the actual operation of the controls is verified through testing based on the monitoring strategies implemented for the purposes of art. 154-*bis* of the CLF, using verification and sampling techniques recognised by international best practices.

Where deemed necessary, control assessment can involve identifying compensating controls, corrective actions and improvement plans. The results of these activities are submitted for assessment by the Manager Responsible for Financial Reporting, who in turn reports to senior management.

Roles and Responsibilities

Manager Responsible for Financial Reporting

The Manager Responsible for Financial Reporting is responsible for:

- periodically updating the scope also taking into account the change/risk factors communicated by Terna S.p.A.'s process owners and the management of the "main" companies;
- preparing updates of the "Sustainability Statement Control Model" and the "Terms of Reference for the Manager Responsible for Financial Reporting";
- preparing and updating appropriate procedures to draft the Sustainability Statement with the support of Human and Sustainability Resources;
- ensuring, with the cooperation of Human Resources and the relevant structures, the dissemination of procedures to draft the Sustainability Statement;
- supporting Terna S.p.A.'s process owners and the management of the "main" companies in executing the operational, control and reporting activities that are part of their specific duties;
- in accordance with the "corporate calendar", he/she:
  - requests, collects and consolidates the attestations made by Terna S.p.A.'s process owners and the contact persons of the "main" companies;
  - makes an overall assessment of the design and performance of the Terna Group's controls;
  - assesses all the shortcomings identified in terms of materiality based on the data contained in the Sustainability Report and their impact on the attestation;
  - collects and examines the Action Plans received from Terna S.p.A.'s process owners and the management of the "main" companies;
  - prepares, jointly with Terna S.p.A.'s Delegated administrative body, the attestation envisaged by Italian Legislative Decree no. 125/2024, issued according to the Consob model.

The Manager Responsible for Financial Reporting may make use of the qualified external companies with specialist professional staff in assessing the design and performance of controls over the procedures to draft the Sustainability Statement.

Internal Audit Department

he Audit Department is responsible for:

- supporting the Manager Responsible for Financial Reporting in assessing the proper functioning of the internal control system and related risk governance mechanisms, including any IT implementations;
- coordinating with the Manager Responsible for Financial Reporting in the definition of the annual audit plan, for the part concerning the procedures to draft the Sustainability Statement;
- providing the Manager Responsible for Financial Reporting with a suitable flow of information in relation to the results of activities connected with the respective controls relating to the responsibilities of the Manager Responsible for Financial Reporting, following agreed methods;
- in the event of involvement of specific testing activities, ensuring the necessary collaboration and changes to the audit plan and in defining priorities also, if necessary, with the assistance of the delegated corporate body.

Sustainability Structure

The Sustainability Department is responsible for supporting the Manager Responsible for Financial Reporting:

- in identifying the universe of KPIs also in line with evolving sustainability reporting standards;
- in the KPI clustering process by contributing useful information defined in the scoring model and in evaluating possible future developments;
- in the process of analysing the contribution of Terna Group companies to the formation of KPIs, contributing quantitative and/or qualitative information useful for classifying companies;
- in preparing and updating the procedures to draft the Sustainability Statement also in cooperation with the other structures indicated in this document;
- in the evaluation of exceptions, contributing quantitative and qualitative information useful for classifying shortcomings

Terna S.p.A.'s process owners

Terna S.p.A.'s process owners are responsible for:

- coordinating the persons in charge of individual controls (control owners), including in subsidiaries, in the performance of their duties;
- coordinating the control owners, including in subsidiaries, in establishing and implementing Action Plans;
- supporting activities carried out by the Manager Responsible for Financial Reporting and ensuring access to all documents/information useful for the relevant activities;
- preparing and forwarding, in the time frames established by the reporting calendar, the attestations regarding the design and performance of controls.

In addition to the responsibilities of all Terna S.p.A. process owners, the Human Resources Manager is responsible for:

- support the Manager Responsible for Financial Reporting in preparing and updating the procedures to draft the Sustainability Statement;
- support the Manager Responsible for Financial Reporting and the Terna Group structures in correctly implementing Action Plans, which may require organisational changes.

In this regard, the Manager Responsible for Financial Reporting is always informed in advance of any organisational changes

The management of the main companies

The management of the "core" companies is responsible for:

- coordinating the various control owners in the performance of the control activities for which they are responsible;
- assessing, in cooperation with the Manager Responsible for Financial Reporting, the Internal Control over Sustainability Reporting (ICSR) of the "main" companies;
- preparing and forwarding, in the time frame established by the reporting calendar, the attestations regarding the ICSR of the "main" companies.

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