

**Notice of Call  
Call of ordinary Shareholders' Meeting**

The ordinary Shareholders' Meeting of TERN A S.p.A. has been convened in Rome, at TERN A's Auditorium in Piazza Giuseppe Fr u a no. 2, on a single call, for its ordinary session on May 4, 2018 at 11 a.m. to discuss and resolve on the following

**AGENDA**

1. Financial Statement as of December 31, 2017. Reports by the Board of Directors, the Board of Statutory Auditors and the Independent Auditors. Related resolutions. Presentation of the Consolidated Financial Statement as of December 31, 2017; Presentation of the Consolidated Non-Financial Statement as of December 31, 2017;
2. Allocation of the net income of the fiscal year;
3. Annual Report on Remuneration: consultation on the Remuneration Policy pursuant to Art. 123ter, paragraph 6 of Legislative Decree no. 58/1998 (Consolidated Law on Finance);
4. Phantom Stock 2018-2021 Plan. Related resolutions.

**Reports and documentation**

The illustrative reports by the Directors on the items on the agenda, required by current legislation, will be made available to the public at the Company head office within April 4, 2018.

Documents submitted to the Shareholders' Meeting will be made available to the public at the Company head office in the terms provided for by current legislation.

The reports and documents relative to the Shareholders' Meeting will be published on the Company website ([www.terna.it](http://www.terna.it) - Investor Relations) and on the website of the authorised storage system "1Info" ([www.1info.it](http://www.1info.it)), and filed with the Borsa Italiana S.p.A. stock exchange. They will also be accessible from the Borsa Italiana S.p.A. website. ([www.borsaitaliana.it](http://www.borsaitaliana.it)). Shareholders and non-shareholders entitled to participate in the Shareholders' Meeting have the right to view them and obtain copies.

**Right to supplement the agenda and presentation of additional resolution proposals**

Shareholders who represent at least a fortieth of the share capital with voting rights, also jointly, may, pursuant to and according to the procedures detailed in Art. 126 bis of Legislative Decree 58/1998 ("Consolidated Law on Finance"), within ten days of the publication of this notice (by April 14, 2018) ask for additional items to be included in the agenda, indicating in the request the additional items proposed, or present further resolution proposals on matters already included in the Meeting's agenda (without prejudice to the possibility, for those with voting rights, of individually present resolution proposals at the Shareholders' Meeting).

The request must be submitted in writing, may be made via hard-copy or e-mail, and must be accompanied by information making it possible to identify the party presenting the request, and indicating further, wherever possible, a telephone contact. It must reach TERN A S.p.A. by the deadline set out above (i.e. April 14, 2018), either by being brought to TERN A S.p.A. at its head office (FAO: Legal and Corporate Affairs Management - TERN A S.p.A. Corporate Affairs and Corporate Governance), or sent by mail or fax to +39 06 8313 8218, or by e-mail or certified electronic mail to the following certified e-mail address: [assemblea2018@pec.terna.it](mailto:assemblea2018@pec.terna.it).

Within the same deadline and using the same methods indicated to present the request, the Board of Directors of TERN A S.p.A. must also receive a report that indicates the motivation for the resolution proposal on the new subjects that are being proposed to be dealt with, or the motivation relating to the additional resolution proposals presented on matters already included on the agenda.

Please remember that pursuant to law, additions to the agenda are not allowed for subjects, which the Shareholders' Meeting will be resolving upon according to the law and based on Directors' proposals or on the basis of a project or a report prepared by them that is different from the one dealing with the subjects in the agenda.

In the event of supplements to the agenda and/or the presentation of new resolution proposals, notice shall be given with the same methods of publication as this notice, at least fifteen days before the date scheduled for the Shareholders' Meeting (by April 19, 2018). At the same time – with the same methods indicated for the Reports of the Directors on the subjects on the Agenda – the report presented by the shareholders will be made available to the public, together with any assessments of the Board of Directors.

**Share capital**

Please note that as of the date of this notice, and pursuant to Art. 5.1 of the Bylaws (the "Bylaws"), published in the website of the Company ([www.terna.it](http://www.terna.it) - "Investor Relations") the share capital is 442,198,240 euros, completely paid-in and divided into 2,009,992,000 ordinary shares having a value of 0.22 euros each, each of which, pursuant to Art. 6.1 of the Bylaws, entitles the holder to one vote. The Company does not hold any own shares.

**Right to participate in the Shareholders' Meeting and exercise the right to vote**

The right to participate in the Shareholders' Meeting and exercise the right to vote, according to the provisions in Art. 10.1 of the Bylaws, is governed by applicable legislation and regulatory provisions. Pursuant to Art. 83sexies of the Consolidated Law on Finance, such right is demonstrated by notification to the Company by an intermediary, in compliance with its own accounting records, on behalf of the individual who is entitled to the right to vote, based on evidence related to the close of the accounting day of the seventh open-market day prior to the date set for the Shareholders' Meeting (i.e. April 24, 2018), the record date.

The credit and debit registrations made on accounts subsequent to the said term are not significant for purposes of legitimizing the exercise of the right to vote in the Shareholders' Meeting. Therefore, those who appear as owners of the Company shares subsequent to said date will not be allowed to participate and vote.

Communications by intermediaries for participation must be received by the Company by the end of the third open-market day prior to the date set for the Shareholders' Meeting (i.e., April 30, 2018). There is no prejudice to the entitlement to participate and vote if the Company has received the communications after said indicated term, provided that they are received by the time the Meeting begins.

No provision is made for participating in this Shareholders' Meeting by electronic means and there are no procedures for voting by mail or by electronic means.

With regard to the exercise of voting rights, please note specifically that the provisions of Art. 10.2 of the Bylaws on the conflict of interest apply under Art. 2373 of the Civil Code adopted by the Company pursuant to Directive no. 2009/72/EC of July 13, 2009, of Legislative Decree no. 93 of June 1, 2011, and the resolutions of the Regulatory Authority for Energy, Networks and Environment (ARERA) no. ARG/com 153/11 and 142/2013/R/EEL with which ARERA governed the certification procedures for the electricity



transmission system operator and adopted the final decision to certify TERNA S.p.A. as the electricity “transmission system operator” (“Unbundling Regulations”).

For this purpose, without prejudice to the assessments made by the ARERA in the context of the certification of the Company as the electricity “transmission system operator”, each participant in the Shareholders' Meeting is invited to declare, under its own responsibility, the possible existence of a conflict of interest.

### **Representation at the Shareholders' Meeting**

#### **Ordinary proxy**

All shareholders who have a right to participate and vote at the Meeting may be represented through proxy, granted in writing or with an electronic document signed electronically having validity and evidential effectiveness according to the law, according to the provisions of Art. 11.1 of the Bylaws, as required by current legislation. For this purpose, the proxy form issued upon request of the entitled party by the qualified intermediaries can be used, or the proxy form available on the Company's website ([www.terna.it](http://www.terna.it) - “Investor Relations”) or at the head office.

The proxy may be notified to the Company by filing notification at the company offices (Legal and Corporate Affairs Management - TERNA S.p.A. Corporate Affairs and Corporate Governance); or by post (to the attention of the Legal and Corporate Affairs Management - TERNA S.p.A. Corporate Affairs and Corporate Governance – viale Egidio Galbani, 70 – 00156 Rome); or by sending it via e-mail or certified e-mail to the certified e-mail address [assemblea2018@pec.terna.it](mailto:assemblea2018@pec.terna.it); or via the appropriate section of the Company website ([www.terna.it](http://www.terna.it) - Investor Relations); or by fax to the no. +39 06 8313 8218; and it must be received by the Company before the start of the Shareholders' Meeting. Pursuant to the applicable Art. 135<sup>novies</sup> of the Consolidated Law on Finance, as a replacement of the original, the representative may deliver or transmit to the Company a copy of the proxy, also by electronic means, stating under his/her own responsibility that the proxy is in compliance with the original, as well as confirming the identity of the person issuing the proxy.

#### **Designated Representative Proxy**

The proxy may also be conferred, with voting instructions, to Computershare S.p.A. (previously Servizio Titoli S.p.A.), with head offices in Milan, Via Lorenzo Mascheroni no. 19 – 20145, appointed by the Company as “Designated Representative” pursuant to Art. 135 *undecies* Consolidated Law on Finance. For this purpose one may use the specific web application provided and managed by Computershare S.p.A. which provides instructions on how to fill in the Designated Representative proxy form, which may be accessed via the appropriate section of the Company website ([www.terna.it](http://www.terna.it) - Investor Relations). The Designated Representative proxy form is also available in a printable version from the website, or from the Company's offices. Proxies may not be conferred to Computershare S.p.A., unless in its capacity as Designated Representative of the Company. The Designated Representative proxy must contain voting instructions to all or some of the subjects on the agenda and the original must be given to said Designated Representative by the end of the second open-market day prior to the date set for the Shareholders' Meeting (i.e. by May 2, 2018) at the following address: Computershare S.p.A. (ref “Proxy Terna S.p.A. Shareholders' Meeting”) Via Monte Giberto no. 33 - 00138 Rome. A copy of the proxy, accompanied by a declaration stating that it is compliant with the original, can be sent in advance to the Designated Representative by the same term by fax to: +39 06 4541 7450 or to the certified e-mail address: [terna@pecserviziititoli.it](mailto:terna@pecserviziititoli.it).

A Designated Representative proxy is valid only for resolutions proposed at the Shareholders' Meeting for which the person issuing the proxy gave voting instructions. The proxy and the voting instructions are revocable within the same term as hereinabove (i.e. by May 2, 2018), with the methods and terms indicated above.

### **Right to submit queries regarding items on the agenda**

Under the terms of Art. 127 *ter* of the Consolidated Law on Finance, those with voting rights in the Shareholders' Meeting can submit queries regarding the items on the agenda, also before the meeting. The questions must be posed in writing and sent to TERNA S.p.A. to its head office (FAO Legal and Corporate Affairs Management - TERNA S.p.A. Corporate Affairs and Corporate Governance) by fax at the number +39 06 8313 8218, or by e-mail or certified electronic mail at the certified e-mail address: [assemblea2018@pec.terna.it](mailto:assemblea2018@pec.terna.it).

Without prejudice to any other provisions in this notice, whoever intends making use of this right, must send his/her queries to the Company at the latest three days prior to the date of the Shareholders' Meeting (namely by May 1, 2018 to be considered as extended to May 2, 2018 as the following first business day). In this regard, a specific indication must be given as to the item on the agenda that the proposed individual queries refer to. A response will be provided to the queries received prior to the start of the Shareholders' Meeting at the latest during the Shareholders' Meeting itself. The Company may provide a single response to queries with the same content. There is no obligation for a response, even during the Shareholders' Meeting, in the event of queries submitted prior to the Meeting, where the information required is already available in the “Frequently Asked Questions” section of the Company website ([www.terna.it](http://www.terna.it) – “Investor Relations”), or when the response has already been published in that section of the Company's website. The response will be deemed to have been given during the Shareholders' Meeting, when provided in hard-copy format and made available to everyone entitled to vote at the start of the meeting.

### **Annual Remuneration Report**

Regarding the third item on the agenda, please remember that the Meeting, pursuant to and in compliance with Art. 123 *ter*, paragraph 6, Consolidated Law on Finance, is called to resolve in favour of or against the first section of “Terna's Annual Remuneration Report”; this report details the Remuneration Policy adopted by TERNA S.p.A. concerning the remuneration of the members of administration bodies, of general directors and of managers holding strategic responsibilities, as well as the procedures used for adopting and implementing such Policy. As established by the abovementioned provisions, the resolution is not binding.

### **Phantom Stock 2018-2021 Plan**

Phantom Stock 2018-2021 Plan, provided in the fourth item on the agenda, is submitted to the Shareholders' Meeting pursuant to art. 114 *bis* of the Consolidated Law on Finance because, although it does not provide for the assignment of TERNA S.p.A. shares in favour of the recipients, it implies to the latter a possible distribution of a cash compensation in line with the performance of TERNA S.p.A. shares in the stock market.

### **Further Information**

Further information concerning the subjects on the agenda is made available to the shareholders in the Directors' reports concerning the respective items on the agenda, as well as in the Bylaws and in applicable legislation, which should be referred to for any information not expressly provided for in this notice.



Regarding the exercise of the company rights mentioned in this notice, please remember that pursuant to Arts. 22 and 23, paragraph 1, of the "Regulation governing centralised management services, liquidation, systems of guarantee and of the relative management companies", adopted by the Bank of Italy and by Consob with the provision of February 22, 2008 and subsequently amended by deed of the Bank of Italy/Consob dated December 24, 2010, and updated with provisions of February 11 and 24, 2015 ("Bank of Italy/Consob Regulation"), the legitimacy of exercising, also jointly, corporate rights such as participation in and exercising the right to vote in the Shareholders' Meetings, the right to supplement the agenda and to present additional resolution proposals and the right to submit queries on subjects on the agenda is certified by a communication to the issuer made by the intermediary in compliance with his/her accounting records for shareholders.

Pursuant to Art. 25 of the Bank of Italy/Consob Regulation, legitimization to rights different from those provided for in Arts. 22 and 23 is assessed by certification issued by the intermediary in compliance with his/her own accounting records.

To facilitate the verification of one's right to participate in the Shareholders' Meeting, those entitled to vote can send the documentation proving this right to the Company by mail (FAO Legal and Corporate Affairs Management - TERN A S.p.A. Corporate Affairs and Corporate Governance – viale Egidio Galbani, 70 – 00156 Rome), otherwise with a copy by e-mail or certified electronic mail to the following certified e-mail address [assemblea2018@pec.terna.it](mailto:assemblea2018@pec.terna.it) or via fax to +39 06 8313 8218, at least two days before the date set for the Shareholders' Meeting.

Please note that the offices in charge of personal identification and verification of entitlement to participate in the Shareholders' Meeting will be available on the day of the Shareholders' Meeting, two hours before the Meeting begins.

A service dedicated to Meeting assistance is available to give further information at the following numbers: telephone +39 06 4541 7413 - fax +39 06 4541 7450.

For further information, reference is made to the section on the Company website dedicated to this Shareholders' Meeting ([www.terna.it](http://www.terna.it) – "Investor Relations").

***The Chairwoman of the Board of Directors***  
Catia Bastioli

This notice was published on the Company website [www.terna.it](http://www.terna.it) on April 4, 2018 and in extract form in the daily newspaper "Il Sole 24 Ore" on April 4, 2018.

TERN A S.p.A. – Head office in Rome – viale Egidio Galbani, no. 70  
Share Capital 442,198,240 euros fully paid-in  
Rome Companies Register, Tax ID code and VAT code no. 05779661007  
R.E.A. of Rome no. 922416