Second Supplement dated 28 March 2019 to the Base Prospectus dated 12 October 2018

TERNA — Rete Elettrica Nazionale S.p.A.

(incorporated with limited liability in the Republic of Italy)

€8,000,000,000

Euro Medium Term Note Programme

This second supplement (the **Supplement**) is supplemental to, forms part of and should be read and construed in conjunction with, the Base Prospectus dated 12 October 2018 as supplemented by the first supplement dated 8 February 2019 (the **Base Prospectus**). This Supplement constitutes a supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the **Prospectus Directive**) and is prepared in connection with the €8,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by TERNA – Rete Elettrica Nazionale Società per Azioni (the **Issuer** or **Terna**). Unless otherwise defined in this Supplement, the terms defined in the Base Prospectus have the same meaning when used in this Supplement.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omissions likely to affect its import.

Purpose of the Supplement

The purpose of this Supplement is to, respectively: (i) amend the section "*Documents Incorporated by Reference*" of the Base Prospectus to incorporate by reference a recent press release relating to Terna; and (ii) amend the paragraph *"Description of certain amendments made to the Terna's By-laws"* set out in the section "*Description of the Issuer*" of the Base Prospectus as a consequence of certain changes occurred to the composition of the Board of Directors.

I. DOCUMENTS INCORPORATED BY REFERENCE

This Supplement has been prepared to disclose and to incorporate by reference in the Base Prospectus copy of the press release dated 21 March 2019 (relating to the approval of the Issuer's 2019-2023 Strategic Plan and the Issuer's 2018 consolidated results by the Board of Directors), in its entirety, which has previously been published and has been filed with the *Commission de Surveillance du Secteur Financier* and shall be incorporated by reference in its entirety in, and form part of, the Base Prospectus.

The Issuer confirms that the results as at 31 December 2018 referred to in the press release dated 21 March 2019 (relating to the approval of the Issuer's 2019-2023 Strategic Plan and the Issuer's 2018 consolidated results by the Board of Directors) have been compiled on the basis of the established financial reporting process of the Issuer using the same accounting principles, criteria and assumptions

as have been used in the annual consolidated financial statements of Terna for the financial year ended on 31 December 2018.

II. CHANGES OF THE BOARD OF DIRECTORS

1. The sub-paragraphs 23, 24 and 25 of the paragraph *"Description of certain amendments made to the Terna's By-laws"* set out in the section "*Description of the Issuer*" on pages 156-157 of the Base Prospectus are hereby replaced in their entirety as follows:

"The members of Terna's current Board of Directors were elected at the Shareholders' General Meeting held on 27 April 2017, except for Mr. Paolo Calcagnini who has been co-opted as new non executive director by the Board of Directors on 15 February 2019, following the resignation of Mr. Stefano Saglia on 10 August 2018. Based on the By-laws, the Board of Directors should remain in office until the approval of the financial statements for the year ending on 31 December 2019. On 22 March 2019 Mr. Luca Dal Fabbro resigned from Terna's Board of Directors. Currently four of the eight members of the Board of Directors qualify as independent under the rules of the Corporate Governance Code and the By-laws. Two of those four independent Directors have been extracted from the lists of the candidates submitted by CDP.

The Board of Directors is currently composed of the following eight members:

Name	**Position with Terna**	**Shareholder list**	**Year of initial appointment**
Catia Bastioli	Chairwoman non-Executive	CDP	2014
Luigi Ferraris	Chief Executive Officer and General Director	CDP	2017
Elena Vasco	Independent non-Executive Director	CDP	2017
Fabio Corsico	Independent non-Executive Director	CDP	2014
Paolo Calcagnini	Non-Independent non-Executive Director	CDP	2019
Yungpeng He	Non-Independent non-Executive Director	CDP	2015
Gabriella Porcelli	Independent non-Executive Director	Group of shareholders constituted by asset management companies and other	2014

		institutional investors	
Paola Giannotti	Independent non-Executive Director	Group of shareholders constituted by asset management companies and other institutional investors	2017

The principal business activities, experience and other principal Directorships, if any, of each of Terna's current Directors are summarised below."

2. The summary of the principal business activities, experience and other principal Directorships of Luca Dal Fabbro set out in the sub-paragraph 26 of the paragraph *"Description of certain amendments made to the Terna's By-laws"* set out in the section "*Description of the Issuer*" on pages 160-161 of the Base Prospectus is deleted and replaced with the following summary of the principal business activities, experience and other principal Directorships of Paolo Calcagnini:

- "**Paolo Calcagnini, Director**

Born in Rome on 12 June 1979.

He graduated in in Economics and Business at "La Sapienza" University of Rome and later completed a Master of Business Administration at the University of Oxford Saïd Business School

From 2002 to 2013 he worked as an Associate Partner at McKinsey and Company - Mediterranean Complex (Milan).

From 2013 to 2015 he was the Strategic Planning and Management Control Manager and a Member of the Board of Directors at Banca Tercas and Banca Caripe, part of the Banca Popolare di Bari Group.

In 2015, he was Principal of the Boston Consulting Group, with a particular focus on senior management consultancy for leading financial institutions, on topics such as regulation and supervision, risk management and asset evaluation.

Since October 2018, he has been the Group Chief Financial Officer and Reporting Manager of the Cassa Depositi e Prestiti Group, with duties involving areas such as Finance, AML and Treasury, Collection, Budgeting and Audit Reports, Tax, as well as Planning and Management Control. From September 2015, he has been the Planning and Control Manager for the Group, where he has been responsible for strategic planning, budgeting, monitoring and reporting, impairment testing and cost management activities."

--*

Copies of this Supplement and the documents incorporated by reference in this Supplement can be obtained free of charge from the registered office of the Issuer, from the specified office of the Paying

Agent for the time being in Luxembourg, from the website of the Issuer (*www.terna.it*) and from the website of the Luxembourg Stock Exchange *www.bourse.lu*.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.