

## Notice to the Public Call of Ordinary Shareholders' Meeting

The ordinary Shareholders' Meeting of TERN S.p.A. has been convened in Rome, at TERN S.p.A.'s Auditorium in Piazza Giuseppe Frua no. 2, on a single call, for its ordinary session on May 8, 2019 at 11 a.m. to discuss and resolve on the following

### AGENDA

1. Financial statements at December 31, 2018. Reports by the Board of Directors, the Board of Statutory Auditors and the Audit Company. Related resolutions. Presentation of the consolidated financial statements at December 31, 2018. Presentation of the consolidated non-financial statement at December 31, 2018;
2. Allocation of the net income for the financial year;
3. Appointment of two members of the Board of Directors under the terms of Art. 2386 of the Italian Civil Code and related resolutions;
4. Appointment of the independent auditors for the nine-year period 2020-2028 and definition of the relative fee;
5. Annual report on remuneration: consultation on the Remuneration Policy pursuant to Art. 123-ter, paragraph 6 of Legislative Decree no. 58/1998 (Consolidated Law on Finance).

### 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 by April 8, 2019.

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

The reports and documents relative to the Shareholders' Meeting will also 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 management company and available on 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" or "TUF"), within ten days of the publication of this notice (by April 18, 2019) 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, to 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 S.p.A. by the deadline set out above (i.e. April 18, 2019), either being brought to the company head office (FAO: Legal and Corporate Affairs Management - TERN 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: [assemblea2019@pec.terna.it](mailto:assemblea2019@pec.terna.it).

Within the same deadline and using the same methods indicated to present the request, the Board of Directors of TERN 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, pursuant to law, 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 23, 2019). 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 By-Laws (the "By-Laws"), published on 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 By-Laws, entitles the holder to one vote. The Company does not hold any own shares.

### Entitlement to participate in the Shareholders' Meeting and exercise the right to vote

Entitlement to participate in the Shareholders' Meeting and exercise the right to vote, according to the provisions in Art. 10.1 of the By-Laws, is governed by applicable legislation and regulatory provisions. Pursuant to Art. 83-sexies of the TUF, 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 26, 2019), 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., May 3, 2019). 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.

Regarding exercise of voting rights, it is noted that the provisions of Art. 10.2 of the By-Laws apply on conflicts of interest under the terms of Art. 2373 of the Italian Civil Code, adopted by the Company under the terms of Directive no. 2009/72/CE of July 13, 2009, Italian Legislative Decree no. 93 of June 1, 2011, and the resolutions of the Regulatory Authority for Energy, Networks and Environment (ARERA)

nos ARG/com 153/11 and 142/2013/R/EEL with which ARERA regulated the certification procedures of the electricity transmission operator and adopted the final decision to certify TERN S.p.A. as electricity “transmission system operator” (“Unbundling Legislation”). For this purpose, without prejudice to the assessments made by 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 speak and vote at the Meeting may be represented through proxy, granted in writing or with an electronic document signed electronically with validity and probative value by law, according to the provisions of Art. 11.1 of the By-Laws, 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 at the company offices (Legal and Corporate Affairs structure - TERN S.p.A. Corporate Affairs and Corporate Governance); or by post (FAO the Legal and Corporate Affairs structure - TERN 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 [assemblea2019@pec.terna.it](mailto:assemblea2019@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 Art. 135-*novies* of the TUF, the representative may, in lieu of the original, deliver or submit to the Company a copy of the proxy, including electronically, stating under his/her own responsibility that it is a true copy of the original and certifying the principal’s identity.

#### **Designated Representative Proxy**

The proxy may also be conferred, with voting instructions, to Computershare S.p.A. (formerly Servizio Titoli S.p.A.), with head office in Milan, Via Lorenzo Mascheroni n. 19 – 20145, assigned by the Company as “Designated Representative” under the terms of Art. 135-*undecies* of the TUF. 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 as a printable version or at the Company’s head office. Computershare S.p.A. may only manage proxies in its role as Designated Representative of the Company. The Designated Representative proxy must contain voting instructions for all or some of the items on the agenda; the original copy must reach the Designated Representative by the end of the second business day before the scheduled meeting date (by May 6, 2019) at the following address: Computershare S.p.A. (ref. “Meeting Proxy Terna S.p.A.”) Via Monte Giberto n. 33 - 00138 Rome, Italy. 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 within the same term by fax to: +39 06 4541 7450 or to the certified e-mail address: [terna@pecserviziottitoli.it](mailto:terna@pecserviziottitoli.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 may be revoked within the aforementioned term (May 6, 2019) through the means indicated above.

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

Under the terms of Art. 127-*ter* of the TUF, 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 TERN S.p.A. at its head office (FAO Legal and Corporate Affairs structure - TERN S.p.A. Corporate Affairs and Corporate Governance) by fax to the number +39 06 8313 8218, or by e-mail or certified electronic mail to the certified e-mail address: [assemblea2019@pec.terna.it](mailto:assemblea2019@pec.terna.it).

Without prejudice to any other provisions in this notice, whoever intends to make 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 (i.e. by May 5, 2019, extended to May 6, 2019 which is the first non-public-holiday 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.

### **Appointment of two members of the Board of Directors under the terms of Art. 2386 of the Italian Civil Code and related resolutions**

For appointment of the two members of the Board of Directors under the terms of Art. 2386 of the Italian Civil Code, the methods defined by Art. 14.5 of the By-Laws and applicable legislation shall be employed and the Shareholders’ Meeting shall resolve, under the terms of Art. 14.3, letter d) of the By-Laws, according to the majorities defined by law and the By-Laws, therefore without list voting.

For further information on resolutions that the Shareholders’ Meeting will be called to adopt, under the terms of Art. 2386 of the Italian Civil Code, in relation to the third item on the agenda, please refer to the details provided in the relative illustrative report of the Board of Directors, publicly available via the methods and within the terms indicated above.

Without prejudice to the foregoing, it is noted that the current Board of Directors was appointed by the Shareholders’ Meeting of April 27, 2017, for a period of three financial years, with termination upon the Shareholders’ Meeting called for approval of the 2019 Financial Statements. The aforementioned Shareholders’ Meeting, under the terms of Art. 14.1 of the company By-Laws, also defined the number of members of the Board of Directors as nine. In the context of the aforementioned appointment, the following were elected, amongst the others: (i) Director Stefano Saglia, from the list presented by the majority shareholder CDP Reti S.p.A., and (ii) Director Luca Dal Fabbro, from the list submitted by a group of minority shareholders (the “Minority List”), both non-executive, independent directors under the terms of Arts 147-*ter*, paragraph 4, and 148, paragraph 3, of Italian Legislative Decree no. 58/1998 and the Governance Code for Listed Companies. Both of these Directors have stood down from their roles and it is therefore necessary to replace them under the terms and for the purposes of Art. 2386 of the Italian Civil Code.

For the replacement of Director Mr Saglia, the Board of Directors, with the aforementioned Illustrative Report, proposes that the Shareholders’ Meeting confirm Paolo Calcagnini in the role of Director, who has already been co-opted by the Board of Directors on February 15, 2019, under the terms of Art. 2386 of the Italian Civil Code. For the replacement of Director Mr Dal Fabbro, who resigned on March 22, 2019, the Board of Directors, in consideration of the imminent call of the Shareholders’ Meeting, has not agreed on co-option

of a replacement nor proposal of candidates, therefore referring replacement of this resigned Director directly to the Shareholders. Considering the foregoing, persons intending to make proposals for the appointment are invited to submit the relative candidatures accompanied by: (i) the curriculum vitae and an exhaustive disclosure regarding the personal and professional characteristics of the candidates, including indication where applicable of the suitability of the same to be categorised as independent directors under the terms of Arts 147-ter, paragraph 4, and 148, paragraph 3, of the TUF and/or Art. 3 of the Governance Code for Listed Companies; (ii) declarations whereby individual candidates accept their candidature and certify, under their own responsibility, the lack of any ineligibility or forfeiture (including as per Art. 15 of the company by-laws) or incompatibility, as well as existence of the requisites defined by applicable legislation and company by-laws for the role of director; and (iii) the appropriate documentation certifying the legitimacy of candidatures.

Specifically, to allow participants in the Shareholders' Meeting to make an informed vote, the Shareholders intending to make proposals for the appointment are invited to submit the relative candidatures, along with the aforementioned documentation, to the Company via post (FAO Legal and Corporate Affairs structure - TERNA S.p.A. Corporate Affairs and Corporate Governance – viale Egidio Galbani, 70 – 00156 Rome), or as a copy sent by e-mail or certified electronic mail to the following certified e-mail address: [assemblea2019@pec.terna.it](mailto:assemblea2019@pec.terna.it), or by fax to the number +39 06 8313 8218, with sufficient prior notice, where possible by the fifteenth day prior to the date of the Shareholders' Meeting (April 23, 2019), allowing the Company to publicly disclose the aforementioned documentation in good time at the head office of the Company, on the Company website ([www.terna.it](http://www.terna.it)) and on the website of the authorised storage service "1Info" ([www.1info.it](http://www.1info.it)) as well as at the stock exchange management company Borsa Italiana S.p.A. ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

In any case, it is noted that – providing that appointment proposals are submitted under the terms and for the purposes of Art. 126-bis of the TUF – to proceed with voting on the candidatures for the role of director, the proposals, also if submitted and publicly disclosed prior to the Shareholders' Meeting, must be formally re-submitted during the Shareholders' Meeting, accompanied by the previously indicated documentation. In any case, persons with voting rights retain the possibility to present proposals for resolution directly during the Shareholders' Meeting, under the terms of the last point of Art. 126-bis, paragraph 1 of the TUF.

It is also noted that, in relation to appointment of the Directors, the following are applicable: (i) the provisions of law and the by-laws regarding integrity, independence, incompatibility and ineligibility of Directors, as indicated also in Art. 15 of the By-Laws, therefore including the provisions regarding incompatibility defined by Art. 15.5 adopted under the terms of Directive no. 2009/72/CE of July 13, 2009, Italian Legislative Decree no. 93 of June 1 2011, and the resolutions of the Authority for electricity, gas and water (AEEGSI, now Regulatory Authority for Energy, Networks and Environment ARERA) nos ARG/com 153/11 and 142/2013/R/EEL with which the ARERA regulated the certification procedures of the electricity transmission operator and adopted the final decision to certify TERNA S.p.A. as electricity "transmission system operator" ("Unbundling Legislation"); as well as (ii) the limits on exercise of voting rights under the terms of Art. 14.3, lett. e), and Art. 14.3, lett. f), of the By-Laws, to which the reader is referred.

Finally, it is noted that appointment of the two new Directors will be performed with two separate and distinct votes, both to be adopted – as indicated above – with the majorities defined by law, in the order and via the methods to be indicated by the Chairperson of the Shareholders' Meeting, during the meeting, according to the provisions of Art. 10 of the Shareholders' Meeting Regulations.

#### **Annual Remuneration Report**

Regarding the fifth item on the agenda, it is noted that the Meeting, pursuant to and in compliance with Art. 123-ter, paragraph 6, of the TUF, 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 aforementioned provisions, the resolution is not binding.

#### **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 By-Laws and in applicable legislation, which should be referred to for any information not expressly provided in this notice.

Regarding the exercise of the company rights mentioned in this notice, please remember that under the terms of applicable legislation, 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 items on the agenda, is certified by a communication to the issuer made by the intermediary in compliance with his/her accounting records for shareholders, with the methods defined by Consob-Bank of Italy Provision of August 13, 2018 on "*Governance of central counterparties, central depositories and centralised management ('consolidated post-trading provision')*".

To facilitate the verification of one's right to participate in the Shareholders' Meeting, those entitled to vote can send the documentation demonstrating this right to the Company by mail (FAO Legal and Corporate Affairs Management - TERNA S.p.A. Corporate Affairs and Corporate Governance – viale Egidio Galbani, 70 – 00156 Rome), or as a copy sent by e-mail or certified electronic mail to the following certified e-mail address [assemblea2019@pec.terna.it](mailto:assemblea2019@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



Terna S.p.A. - Head office in Rome – Viale Egidio Galbani, n. 70  
Share capital: EUR 442,198,240 fully paid-up  
Companies Register of Rome, Tax Code and VAT no. 05779661007  
R.E.A. of Rome no. 922416