



TERNA - Rete Elettrica Nazionale Società per Azioni

(incorporated with limited liability in the Republic of Italy)

as Issuer

€1,000,000,000

**EURO-COMMERCIAL PAPER PROGRAMME
FOR THE ISSUANCE OF NOTES AND ESG NOTES**

This Programme is rated by

Moody's France SAS / S&P Global Ratings Europe Limited

Arranger

Citigroup

Dealers

BNP PARIBAS

Citigroup

Crédit Agricole CIB

J.P. Morgan

Issuing and Paying Agent

Citibank, N.A., London Branch

Information Memorandum dated 16 July 2021

IMPORTANT INFORMATION

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the “**Information Memorandum**”) contains summary information provided by TERNA - Rete Elettrica Nazionale Società per Azioni (“**Terna**” or the “**Issuer**”) in connection with an euro-commercial paper programme for the issuance of Notes and ESG Notes (the “**Programme**”) under which Terna may issue and have outstanding at any time euro-commercial paper notes which may be designated as ESG Notes as described below (together, the “**Notes**”) up to a maximum aggregate amount of €1,000,000,000 or its equivalent in alternative currencies provided hereunder. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (“**Regulation S**”) of the United States Securities Act of 1933, as amended (the “**Securities Act**”). The Issuer has, pursuant to a dealer agreement dated 16 July 2021 (the “**Dealer Agreement**”), appointed Citigroup Global Markets Limited as the arranger for the Programme (the “**Arranger**”), appointed BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, J.P. Morgan AG and J.P. Morgan Securities plc as dealers for the Notes (the “**Dealers**”) and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to purchasers or potential purchasers of the Notes.

In accordance with the Short-Term European Paper (“**STEP**”) Initiative, this Programme has been submitted to the STEP Secretariat in order to apply for the STEP label in respect of Notes to be issued with a maturity of not more than 364 days from and including the date of issue to but excluding the maturity date. The status of STEP compliance of this Programme can be determined from the STEP market website (www.stepmarket.org).

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (“U.S. PERSONS”) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is unlawful.

The Issuer has confirmed to the Arranger and the Dealers that the information contained or incorporated by reference in this Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes this Information Memorandum as a whole or any such information contained or incorporated by reference herein misleading in any material respect.

Neither the Issuer, the Arranger nor the Dealers accept any responsibility or liability, express or implied, for updating this Information Memorandum and neither the delivery of this Information Memorandum nor any offer or sale made on the basis of the information in this Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date hereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date hereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in this Information Memorandum and any information or representation not contained herein must not be relied upon as having been authorised.

Neither the Arranger nor any Dealer has independently verified the information contained in this Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in this Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in this Information Memorandum is not and should not be construed as a recommendation by the Arranger, the Dealers or the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of Terna and its subsidiaries (together, the “**Terna Group**”) during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum of any information or change in such information coming to the Arranger’s or any Dealer’s attention.

Neither the Arranger nor any of the Dealers accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes and the Issuer set out under “Selling Restrictions” below.

No application will be made at any time to list the Notes on any stock exchange. A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

IMPORTANT – EEA Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the instruments or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

IMPORTANT – UK Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal)

Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation

MIFID II product governance

Solely by virtue of appointment as Arranger or Dealer, as applicable, on this Programme, neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of EU Delegated Directive 2017/593.

UK MiFIR product governance

Solely by virtue of appointment as Arranger or Dealer, as applicable, on this Programme, neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the FCA Handbook Product Intervention and Product Governance Sourcebook (the UK MiFIR Product Governance Rules).

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”) – Unless otherwise specified prior to an offer in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Tax

No comment is made, and no advice is given by the Issuer, the Arranger or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional adviser.

Interpretation

In this Information Memorandum, references to “euros”, “€” and “EUR” are to the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; references to “Sterling” and “£” are to pounds sterling and references to “U.S. Dollars” and “US\$” are to United States dollars.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

Documents Incorporated By Reference

The most recently published consolidated annual financial statements of the Issuer (available electronically at www.terna.it/en/general-archive) and any subsequently published interim consolidated financial statements (whether audited or unaudited), if any, of Terna (including the auditors’ report in respect thereof) shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

Any statement contained in a document incorporated by reference into this Information Memorandum or contained in any supplementary information memorandum or in any document incorporated by reference therein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify

or supersede earlier statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Except as provided above, no other information, including information on the website of the Issuer, is incorporated by reference into this Information Memorandum.

Each Dealer will, following receipt of such documentation from the Issuer, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the relevant Dealer at its office as set out at the end of this Information Memorandum.

ESG NOTES PROVISIONS

For each issuance of Notes under the Programme during the period from (and including) the Starting Date to (but excluding) the Ending Date such Notes will be designated as “**ESG Notes**”, for so long as Terna would achieve and maintain an award in the S&P Sustainability Yearbook in the Electric Utilities Sector equal to, or higher than, Bronze Class (“**Minimum ESG Target**”).

If the Minimum ESG Target ceases to be met, the Issuer may continue to issue Notes under the Programme, but they may not be designated as ESG Notes. For the avoidance of doubt, any ESG Notes which are already in issue will not be re-designated in the event that the Minimum ESG Target ceases to be met.

The Issuer has further undertaken in the Dealer Agreement (i) to make its reasonable best effort to maintain the Minimum ESG Target; (ii) and to publish the results on its website as soon as practicable after each annual update of such report or on the occasion of any material change during the year; and (iii) as soon as practicable, to notify the Dealers and procure to publish an update or supplement to this Information Memorandum in the event that the Minimum ESG Target ceases to be met.

Although the Issuer is ranked as Gold Class in the S&P Sustainability Yearbook in the Electric Utilities Sector (two classes higher than the Minimum ESG Target) on the Starting Date, there can be no assurance of the extent to which the Issuer will be successful in continuing doing so. The ESG Notes may not satisfy an investor’s requirements or any future legal or industry standards for investment in assets with sustainability characteristics. Investors should conduct their own assessment of the ESG Notes from a sustainability perspective.

The designation of any ESG Notes issued under the Programme is not a recommendation to buy, sell or hold such securities.

“**Corporate Sustainability Assessment**” or “**CSA**” means the annual evaluation of companies’ sustainability practices issued by S&P Global or any of its subsidiaries or affiliates.

“**Ending Date**” means 16 July 2024.

“**S&P Global**” means S&P Global Inc.

“**S&P Global ESG Scores**” means Environmental, Social, and Governance & Economic Dimension Scores based on the Corporate Sustainability Assessment.

“**S&P Sustainability Yearbook**” means the annual award of selected companies based on their S&P Global ESG Scores.

“**Starting Date**” means 16 July 2021.

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DESCRIPTION OF THE PROGRAMME

Name of the Programme:	TERNA - Rete Elettrica Nazionale Società per Azioni Euro-Commercial Paper Programme for the issuance of Notes and ESG Notes (the “ Programme ”).
Type of Programme:	Euro-Commercial Paper Programme for the issuance of Notes and ESG Notes. STEP compliant.
Name of the Issuer:	TERNA - Rete Elettrica Nazionale Società per Azioni
Type of Issuer:	Corporate.
Purpose of the Programme:	The net proceeds from each issue of Notes, including any ESG Notes, will be used by the Issuer for general corporate purposes.
Maximum Amount of the Programme:	The outstanding principal amount of the Notes will not exceed €1,000,000,000 (or its equivalent in other currencies provided hereunder) at any time (the “ Maximum Amount ”). The Maximum Amount may be increased or decreased from time to time in accordance with the Dealer Agreement.
Characteristics and form of the Notes:	<p>The Notes will be in bearer form. Each issue of Notes will initially be in global form (“Global Notes”). Global Notes will be exchangeable for definitive Notes (“Definitive Notes”) only in the circumstances specified in that Global Note.</p> <p>On or before the issue date in respect of any Notes, if the relevant Global Note indicates that it is intended to be a New Global Note (“NGN”), the Global Note will be delivered to a Common Safekeeper (as defined below) for the Relevant Clearing Systems (as defined below). If the relevant Global Note indicates that it is not a NGN, the Global Note will be deposited with a common depository for the Relevant Clearing Systems.</p> <p>“Common Safekeeper” means, in respect of any Global Note which is a NGN, the common safekeeper which is appointed by the Relevant Clearing Systems in respect of such NGN or, if such Global Note is a NGN intended to be held in a manner that would allow Eurosystem eligibility, the common safekeeper which is appointed for the Issuer and eligible to hold such Global Note for the purpose of the requirements relating to collateral for Eurosystem monetary and intra-day credit operations. If the common safekeeper as at the relevant issue date ceases to be so eligible after the relevant issue date, the relevant Notes will no longer qualify for Eurosystem eligibility unless a new common safekeeper is appointed which is so eligible.</p>
Yield basis:	The Notes may be issued at a discount or at a premium and may bear fixed or floating rate interest.

Currencies of issue of the Notes:	Notes may be denominated in euros, U.S. Dollars or Sterling or any other currency subject to compliance with any applicable legal and regulatory requirements.
Maturity of the Notes:	The tenor of the Notes shall be not less than one day nor more than 364 days from (and including) the date of issue, to (but excluding) the maturity date, subject to compliance with any applicable legal and regulatory requirements.
Minimum Issuance Amount:	See “ <i>Minimum Denomination of Notes</i> ” below.
Minimum denomination of the Notes:	Notes may have any denomination, subject to compliance with any applicable legal and regulatory requirements. The minimum denominations for Notes are US\$500,000, €500,000 and £100,000 or such other conventionally accepted denominations in those currencies or such other currency as may be agreed between the Issuer and the relevant Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements and provided that the equivalent of that denomination in Sterling as at the Issue Date is not lower than the higher between £100,000 and €100,000 at the exchange rate as at the relevant issue date.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves, with all other present and future outstanding unsubordinated and unsecured obligations of the Issuer (subject to mandatorily preferred obligations under applicable laws).
Governing law that applies to the Notes:	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with English law.
Listing:	The Notes will not be listed on any stock exchange.
Settlement system:	Global Notes will be deposited with a common depository or, as the case may be, a Common Safekeeper for Euroclear Bank SA/NV, Clearstream Banking S.A. or any STEP (as defined below) recognised clearing system as agreed by the Issuer, the relevant Dealer and the Issue and Paying Agent (together, the “ Relevant Clearing Systems ”) (i) complies, as of the relevant issue date in respect of any Notes, with the STEP Market Convention and (ii) provided such Global Note is intended to be held in a manner that would allow Eurosystem eligibility, is authorised to hold such Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations. Account holders will, in respect of Global Notes, have the benefit of a Deed of Covenant dated 16 July 2021 (the “ Deed of Covenant ”), copies of which may be inspected during normal business hours at the specified office of the Issue and Paying Agent. Definitive Notes (if any are printed) will be available in London for collection or for delivery to the Relevant Clearing Systems.
Ratings of the Programme:	Rated.

The Programme has been rated by Moody's France SAS/S&P Global Ratings Europe Limited.

Ratings assigned to the Programme from time to time are based on current information furnished to the relevant rating agency by the Issuer and information obtained by the rating agency from other sources. As ratings may be changed, superseded or withdrawn as a result of changes in, or unavailability of, such information, a prospective purchaser should verify the current long-term and short-term ratings of the Issuer before purchasing Notes. However, ratings are not a recommendation to purchase, hold or sell Notes, insofar as the ratings do not comment as to market practice or suitability for a particular investor.

A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.

Guarantor(s): Not applicable.

Issuing and Paying Agent: Citibank, N.A., London Branch

Arranger: Citigroup Global Markets Limited

Dealers: BNP Paribas
Citigroup Global Markets Limited
Crédit Agricole Corporate and Investment Bank
J.P. Morgan AG
J.P. Morgan Securities plc

Selling restrictions: Offers and sales of Notes and the distribution of this Information Memorandum and other information relating to the Issuer and the Notes are subject to certain restrictions, details of which are set out under "*Selling Restrictions*" below.

Taxation: All payments in respect of the Notes shall be made without withholding or deduction for or on account of any taxes imposed by the Republic of Italy unless such withholding or deduction is required by law. If such withholding or deduction is required by law, the Issuer shall, subject to certain exceptions as set forth in the Forms of Notes, be required to pay such additional amounts as shall result in receipt by the holder of such amounts as would have been received by it had no such withholding or deduction been required.

All payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Internal Revenue Code of 1986 (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto, as provided in the terms and conditions of the Notes.

Involvement of national authorities:

Not relevant.

Contact details:

The contact details of the Issuer are:

E-mail address: corporate.finance@terna.it

Telephone number: +39 06 83138111

Additional information on the Programme:

For each issuance of Notes under the Programme during the period from (and including) the Starting Date to (but excluding) the Ending Date such Notes will be designated as “**ESG Notes**”, for so long as the Issuer would achieve and maintain an award in the S&P Sustainability Yearbook in the Electric Utilities Sector equal to, or higher than, Bronze Class (“**Minimum ESG Target**”).

If the Minimum ESG Target ceases to be met, the Issuer may continue to issue Notes under the Programme, but they may not be designated as ESG Notes. For the avoidance of doubt, any ESG Notes which are already in issue will not be re-designated in the event that the Minimum ESG Target ceases to be met.

The Issuer has further undertaken in the Dealer Agreement (i) to make its reasonable best effort to maintain the Minimum ESG Target; (ii) and to publish the results on its website as soon as practicable after each annual update of such report or on the occasion of any material change during the year; and (iii) as soon as practicable, to notify the Dealers and procure to publish an update or supplement to this Information Memorandum in the event that the Minimum ESG Target ceases to be met.

Although the Issuer is ranked as Gold Class in the S&P Sustainability Yearbook in the Electric Utilities Sector (two classes higher than the Minimum ESG Target) on the Starting Date, there can be no assurance of the extent to which the Issuer will be successful in continuing doing so. The ESG Notes may not satisfy an investor’s requirements or any future legal or industry standards for investment in assets with sustainability characteristics. Investors should conduct their own assessment of the ESG Notes from a sustainability perspective.

The designation of any ESG Notes issued under the Programme is not a recommendation to buy, sell or hold such securities.

“**Corporate Sustainability Assessment**” or “**CSA**” means the annual evaluation of companies’ sustainability practices issued by S&P Global or any of its subsidiaries or affiliates.

“**Ending Date**” means 16 July 2024.

“**S&P Global**” means S&P Global Inc.

“S&P Global ESG Scores” means Environmental, Social, and Governance & Economic Dimension Scores based on the Corporate Sustainability Assessment.

“S&P Sustainability Yearbook” means the annual score of selected companies based on their S&P Global ESG Scores.

“Starting Date” means 16 July 2021.

Designation:

Notes may be designated as ESG Notes for so long as the Issuer would achieve and maintain the Minimum ESG Target.

Redemption:

The Notes incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and do not grant the holder any direct or indirect right of participation in (or control of) the management of the Issuer.

Eurosystem eligibility:

In order to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any time during their life, the Notes must satisfy all the Eurosystem eligibility criteria in force from time to time.

Benchmark discontinuation:

On the occurrence of a Benchmark Event, the Issuer may (subject to certain conditions) determine a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments.

Issuer Legal Entity Identifier (LEI):

8156009E94ED54DE7C31

**Independent auditors of the Issuer,
who have audited the accounts of
the Issuer’s annual report:**

PricewaterhouseCoopers S.p.A., whose registered office is at Via Monte Rosa, 91 20149 Milan, Italy, audited the consolidated financial statements of the Terna Group for the financial years ended 31 December 2019 and Deloitte & Touche S.p.A., whose registered office is at Via della Camilluccia, 589/A, 00135 Rome, Italy, audited the consolidated financial statements of the Terna Group for the financial year ended 31 December 2020.

DESCRIPTION OF THE ISSUER

Legal name:	TERNA – Rete Elettrica Nazionale Società per Azioni (“ Terna ” or the “ Issuer ”).
Legal form/status:	The Issuer is joint-stock company (<i>società per azioni</i>) under the laws of the Republic of Italy.
Date of incorporation/establishment:	31 May 1999.
Registered office or equivalent (legal address):	The registered address of Terna is Viale Egidio Galbani 70, 00156 Rome, Italy.
Registration number, place of registration:	Terna is registered in the Register of Companies of Rome with registration number 05779661007.
Issuer’s mission:	<p>Terna is the Italian electricity transmission company responsible for planning, development and maintenance of the grid, contributing its expertise, technology and innovation (as the Transmission Operator). In addition, Terna is responsible for the transmission and dispatching of electricity (as the System Operator), with the aim of ensuring access to electricity for everyone with the highest level of quality and at the lowest possible cost. The Terna Group’s main business comprises grid operation and dispatching, infrastructure maintenance, grid development planning and carrying out of development projects of its portion of Italy’s National Transmission Grid as well as management of transmission and dispatching of electricity over the entire National Transmission Grid which Terna and Rete S.r.l. report in their financial statements as revenues from Regulated Activities in Italy. The Terna Group also carries out other Non-Regulated Activities including services for third parties in the Italian market (EPC, O&M, Energy Efficiency, TLC), initiatives abroad (EPC, Technical Assistance, BOOT, Concessions), Interconnectors, energy transformer production (Tamini Group, as defined below) and manufacture of terrestrial cables (Brugg Kabel Group, as defined below).</p>
Brief description of current activities:	<p>Terna operates in three operative segments: Regulated, Non-Regulated and International.</p>

Regulated segment

The Regulated segment includes the development, operation and maintenance of the National Transmission Grid, in addition to dispatching and metering, and activities involved in the construction of storage systems. These activities have been included in one operating segment, as they are all regulated by the Italian Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione per Energia Reti e Ambiente) (“**ARERA**”).

Non-Regulated segment

The Non-Regulated segment includes activities and specific business initiatives for third parties, above all relating to the provision of services in the areas of Energy Solutions, consisting of EPC (Engineering, Procurement and Construction) services, operation and maintenance of infrastructure and plants, and the supply of energy efficiency services, broadly attributable to the subsidiary, ATEI (as defined below), acquired during 2018.

This segment also includes Connectivity (dark fibre contracts, housing services for third TLC operators).

Finally, this segment also includes the activities carried out in relation to the private interconnectors launched by Law 99/2009, legislation that assigned Terna responsibility for selecting undertakings (the selected undertakings), on the basis of public tenders, willing to finance specific interconnectors in exchange for the benefits resulting from a decree granting a third-party access exemption with regard to the transmission capacity provided by the new infrastructure. The Non-Regulated segment also includes the operations of the Tamini Group (as defined below), relating essentially to the construction and commercialisation of electrical equipment, above all power transformers, and Brugg Kabel (as defined below) to manufacture and O&M services of terrestrial cables for third parties.

International segment

The International segment includes the results deriving from opportunities for international expansion, which the Group aims to exploit by leveraging its core competencies developed as a TSO (Transmission System Operator), where such competencies are of significant importance in its home country. Overseas investment focuses on countries with stable political and regulatory regimes and a need to develop their electricity infrastructure. This segment includes the results of the two Brazilian companies, Santa Lucia and Santa Maria (all as defined below). Terna Peru, the Uruguayan company Difebal, the Chilean company Terna Chile, the Brazilian company Linha Verde II, which was acquired during 2019, the Brazilian company Linha Verde I, which was acquired during 2020 and the Peruvian company Terna 4 Chacas (all as defined below), established in August 2019.

Capital or equivalent:

Terna's share capital of Euro 442,198,240 consisted of 2,009,992,000 ordinary shares with a nominal value of Euro 0.22 each.

List of main shareholders:

As at the date of this Information Memorandum, Terna's share capital is divided as follows: CDP RETI S.p.A. (a joint-stock company controlled by Cassa Depositi e Prestiti S.p.A. which is, in turn, owned 82.77 per cent. by the Ministry of Economy and Finance of the Italian Republic) owns 29.851 per cent. of the share capital, Lazard Asset Management Llc owns 5.122 per cent. of the share capital (as discretionary asset management).

Listing of the shares of the Issuer: Terna's shares are listed on the Italian Stock Exchange (Borsa Italiana S.p.A.).

Composition of governing bodies and supervisory bodies: As at the date of this Information Memorandum, the composition of the Issuer's Board of Directors is as set out below:

Board of Directors:

Name	Office
Valentina Bosetti	Independent as per the TUF Chairwoman non-Executive
Stefano Antonino Donnarumma	Chief Executive Officer and General Director
Alessandra Faella	Independent as per the TUF and per the Corporate Governance Code ¹ Non-Executive Director
Yunpeng He	Non-Independent Non-Executive Director
Valentina Canalini	Independent as per the TUF Non-Executive Director
Ernesto Carbone	Independent as per the TUF and per the Corporate Governance Code Non-Executive Director
Giuseppe Ferri	Independent as per the TUF and per the Corporate Governance Code Non-Executive Director
Antonella Baldino	Non-Independent Non-Executive Director
Fabio Corsico	Independent as per the TUF and per the Corporate Governance Code Non-Executive Director

¹ The Corporate Governance Code is the code issued on July 2018 by the Corporate Governance Committee of listed companies promoted by Borsa Italiana.

Marco Giorgino	Independent as per the TUF and per the Corporate Governance Code Non-Executive Director
Gabriella Porcelli	Independent as per the TUF and per the Corporate Governance Code Non-Executive Director
Paola Giannotti	Independent as per the TUF and per the Corporate Governance Code Non-Executive Director
Jean-Michel Aubertin	Independent as per the TUF and per the Corporate Governance Code Non-Executive Director

Board of Statutory Auditors:

Name	Office
Mario Matteo Busso	Chairman
Vincenzo Simone	Standing Auditor
Raffaella Fantini	Standing Auditor
Barbara Zanardi	Alternate Auditor
Massimiliano Ghizzi	Alternate Auditor
Maria Assunta Damiano	Alternate Auditor

Terna's Board of Statutory Auditors is responsible for, *inter alia*, compliance with the law and with Terna's By-laws, as well as observance of the principles of correct administration in the conduct of Terna's activities and to ensure the adequacy of Terna's organisational structure, the internal control system and the administrative/accounting system as well as those of the foreign subsidiaries outside of the EU. It is also responsible for carrying out all duties assigned to the Board of Statutory Auditors by law and the code of conduct for listed companies. Pursuant to the provisions of article 19 of Italian Legislative Decree 39/2010 as amended from time to time, it is the responsibility of the Board of Statutory Auditors to supervise the financial disclosure process, the efficiency of the internal control systems, of internal reviews and of risk management, the statutory audit of annual and consolidated results and the independence of the auditing company.

Accounting Method:

The Issuer's annual separate and consolidated financial statements, and the consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (and related IFRIC and SIC interpretations) endorsed by the European Union. The financial statement has also been prepared taking into account the provisions of Legislative Decree 38 of 28 February 2005, of the Italian Civil Code and CONSOB Resolutions 15519 and 15520, as well as CONSOB Communication DEM/6064293.

Accounting Year:

1 January to 31 December.

Ratings of the Issuer:

(Ratings can come under review at any time by the rating agencies. Investors shall refer to the relevant rating agencies in order to have access to the latest ratings.)

Terna is rated by (i) Moody's France SAS; (ii) S&P Global Ratings Europe Limited; and (iii) Scope Ratings AG.

Additional information on the Issuer:*Auditors*

At the general Shareholders' Meeting of 8 May 2019, Deloitte & Touche S.p.A. was appointed as external statutory auditor for the financial years 2020 to 2028 in accordance with the proposal of the Board of Statutory Auditors. PricewaterhouseCoopers S.p.A. was external auditor from 2011 to 2019.

Organisational structure

Terna is the parent company of the Terna Group.

The structure of the Terna Group includes, as of 30 June 2021, the following companies:

Subsidiaries

- Terna Rete Italia S.p.A.,
- Rete S.r.l. ("**Rete S.r.l.**"),
- Terna Plus S.r.l. which includes the following subsidiaries:
 - Terna Chile S.p.A. ("**Terna Chile**"),
 - SPE Santa Maria Transmissora de Energia S.A. ("**Santa Maria**"),
 - SPE Santa Lucia Transmissora de Energia S.A. ("**Santa Lucia**"),
 - SPE Transmissora de energia Linha Verde II S.A. ("**Linha Verde II**"),

- SPE Transmissora de energia Linha Verde I S.A. (“**Linha Verde I**”),
- Terna Peru S.A.C. (“**Terna Peru**”),
- Terna 4 Chacas S.A.C. (“**Terna 4 Chacas**”),
- Terna Energy Solutions S.r.l. which includes the following subsidiaries:
 - Rete Verde 17 S.r.l.,
 - Rete Verde 18 S.r.l.,
 - Rete Verde 19 S.r.l.,
 - Rete Verde 20 S.r.l.,
 - Avvenia the Energy Innovator S.r.l. (“**ATEI**”),
 - Tamini Trasformatori S.r.l. (“**Tamini**”) which includes the following subsidiaries:
 - (i) Tamini Transformers USA L.L.C. (“**Tamini Transformers USA**”),
 - (ii) Tamini Trasformatori India Private Limited (“**TES Asia**”, together with Tamini and Tamini Transformers USA hereinafter referred to as “**Tamini Group**”),
 - (iii) Consorzio Tamini – CERB,
 - Brugg Kabel Services AG which includes the following subsidiaries:
 - (i) Brugg Kabel Manufacturing AG which includes the following subsidiary:
 - Brugg Cables Italia S.r.l. (hereinafter referred to as “**Brugg Italy**”),
 - (ii) Brugg Kabel AG (hereinafter referred to as “**Brugg Kabel**”) which includes the following subsidiaries:
 - Brugg Cables Middle East DMCC (hereinafter referred to as “**Brugg Middle East**”),
 - Brugg Kabel GmbH (hereinafter referred to as “**Brugg Germany**”),
 - Brugg Cables (Shanghai) Co., Ltd. (hereinafter referred to as “**Brugg Shanghai**”),

- Brugg Cables (Suzhou) Co., Ltd. (hereinafter referred to as “**Brugg Suzhou**”)
 - Brugg Cables (India) Pvt., Ltd. (hereinafter referred to as “**Brugg India**”, together with Brugg Kabel Services AG, Brugg Kabel Manufacturing AG, Brugg Kabel, Brugg Middle East, Brugg Germany, Brugg Italy, Brugg Shanghai and Brugg Suzhou hereinafter referred to as “**Brugg Kabel Group**”)
- Terna Interconnector S.r.l., which includes in turn, the following subsidiary:
 - i. P.I.S.A. 2 S.r.l.,
 - Resia Interconnector S.r.l.,
 - Terna Crna Gora d.o.o.,
 - Difebal S.A. (“**Difebal**”),
 - Electricity Service Provider Entity Region Italia – Coordination Center S.r.l.

Joint controlled

- ELMED Etudes S.a.r.l.,
- Southeast Electricity Network Coordination Center S.A.,
- Equigy B.V.,

Affiliates

- CESI S.p.A.,
- Crnogorski Elektroprenosni Sistem AD,

CORESIO S.A..

Risks associated with Terna Group’s transactions targeted by Sanctions.

Following the acquisition of Tamini and of its subsidiaries made by the Issuer on May 2014, the Issuer has become aware that the Tamini Group has entered into certain transactions and conducts (“**Original Sanctionable Transactions**”) involving third parties (i) located in countries that are or were targeted by sanctions (“**Sanctioned Countries**”), or (ii) that are or were targeted by, any applicable laws, regulations or orders concerning any trade, economic or financial sanctions, embargoes or restrictions adopted, enacted or enforced by or in (a) the Security Council of the United Nations, (b) the United States of America, (c) the

European Union, (d) any Member State of the European Union, (e) Her Majesty's Treasury of the United Kingdom or (f) any body, agency or authority from or acting on behalf of any of the entities under paragraphs (a) to (e) above, (the "**Sanctions**").

After the acquisition, the Tamini Group, with a view of preserving its market shares and commercial reputation, continued and is continuing its commercial activities connected, *inter alia*, to some international counterparties and/or Sanctioned Countries acquiring new contracts potentially subject to Sanctions (jointly, together with the Original Sanctionable Transactions, the "**Sanctionable Transactions**").

In addition, in light of the continuous evolution of any legislation applicable to Terna Group in any area of its interest and with reference to any related transaction and activity, including any transaction involving Brugg Kabel following its acquisition on 29 February 2020, (the "**Activities**"), and considering that the complex legislation is not always consistent across jurisdictions (such as (i) the Council Regulation (EC) 2271/1996, as amended from time to time, and/or any associated and applicable national law, instrument or regulation related thereto, as amended from time to time (the "**EU Blocking Regulation**"); (ii) any law or regulation implementing the EU Blocking Regulation in any member state of the European Union; or (iii) any similar blocking or anti-boycott law or regulation in the United Kingdom including as the EU Blocking Regulation forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018), the Issuer, directly or indirectly through its subsidiaries, including Tamini Group, cannot exclude that the Activities, including Sanctionable Transactions, will be determined to be prohibited by Sanctions.

If any of the Sanctionable Transactions or the Activities – or any future transactions in which Tamini or any other member of the Terna Group engages – are determined to be prohibited by applicable laws or regulations, the Tamini Group or the Terna Group could itself be subject to penalties, in which case the Terna Group's reputation, financial condition and future business prospects could be adversely affected.

Changes in the regulatory environment or in the implementation thereof are unpredictable and consequently the potential effects of these events on the Issuer's business, financial condition, results of operations or cash flows cannot be foreseen.

It being understood that some of the Sanctionable Transactions and Activities of Terna Group are potentially exposed to the risk to be targeted by applicable Sanctions, in particular, with regard to the Terna Group's international transactions, Terna Group (i) has developed, adopted and updated on 13 May 2020 an internal compliance policy setting out sanctions compliance procedures, granting the relevant disclosure to its own personnel and implementing training programmes and (ii) also through several external consultants, is carrying out, due diligence activities on a subjective and objective and an ongoing basis on the Sanctionable

Transactions and the Activities, in order to verify and detect in advance whether any contemplated transaction could violate Sanctions, thereby minimising the risk that any such violation will occur in connection with future transactions.

In this context, *inter alia*, the analysis carried out by the Issuer has concerned the Sanctionable Transactions of Tamini Group, including sales, either directly or indirectly through third parties, of transformers (and, in certain cases, reactors, spare parts and related maintenance and/or repair services) to various end-users for installation mainly in steel manufacturing plants and electric utilities also located in many foreign countries (currently in particular Belarus, Cuba, Iraq, Libya, Moldova, Russia, Ukraine, China, in the past also Democratic Republic of Congo, Egypt, Iran, Tunisia, Venezuela and Zimbabwe).

Following the acquisition of Brugg Kabel on 29 February 2020, the Issuer has also carried out an overall subjective due diligence of all the counterparties of the Brugg Kabel Group. In this context, the Issuer has verified about 400 counterparty companies, in order to monitor not to enter into relations with subjects or entities targeted by Sanctions. It is worth noting that this process has been carried out even though Brugg Kabel as parent company already had its own internal regulation and guidelines on export controls and international sanctions, according to its own national rules (State Secretariat for Economic Affairs – SECO).

CERTIFICATION OF INFORMATION

Person responsible for the Information Memorandum:

TERNA - Rete Elettrica Nazionale Società per Azioni

Declaration of the person(s) responsible for the Information Memorandum:

To our knowledge, the information contained in this Information Memorandum is true and accurate and does not contain any misrepresentation which would make it misleading.

Date, place of signature, signature:

16 July 2021, London



Name: MARCO PARUZZOLO

Title: ATTORNEY

INFORMATION CONCERNING THE ISSUER'S REQUEST FOR A STEP LABEL

An application for a STEP label for this Programme will be made to the STEP Secretariat in relation to the Notes eligible under the STEP Market Convention. Information as to whether the STEP label has been granted for this Programme in relation to such Notes may be made available on the STEP market website (www.stepmarket.org). This website is not sponsored by the Issuer and the Issuer is not responsible for its content or availability.

Unless otherwise specified in this Information Memorandum, the expressions “**STEP**”, “**STEP Market Convention**”, “**STEP label**”, “**STEP Secretariat**” and “**STEP market website**” shall have the meanings assigned to them in the Market Convention on Short-Term European Paper dated 19 May 2015 and adopted by the ACI – The Financial Markets Association and the European Money Markets Institute (as amended from time to time).

SELLING RESTRICTIONS

General

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re offer or deliver Notes or distribute this Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S. Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S.

Each Dealer has also represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has offered and sold the Notes and will offer and sell the Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the “**distribution compliance period**”), only in accordance with Rule 903 of Regulation S.

Each Dealer has also agreed (and each further Dealer appointed under the Programme will be required to agree) that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that neither it, nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Terms used above have the meanings given to them by Regulation S.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum in relation thereto to any retail investor in the EEA.

For these purposes:

- (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1)

of MiFID II, or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (the **Prospectus Regulation**);

- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prohibition of sales to UK Retail Investors

Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA;
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “**FIEA**”). Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other applicable laws, regulations and ministerial guidelines of Japan.

Republic of Italy

The offering of the Notes has not been registered with *Commissione Nazionale per la Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no notes may be offered, sold or delivered, nor may copies of this Information Memorandum or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Regulation (EU) 2017/1129 (the “**PD Regulation**”) and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and/or Italian CONSOB regulations; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the PD Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Information Memorandum or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”); and
- (b) comply with any other applicable laws and regulations or requirements imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Singapore

Each Dealer has acknowledged (and each further Dealer appointed under the Programme will be required to acknowledge) that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed (and each further Dealer appointed under the Programme will be required to represent, warrant and agree) that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
 - (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
 - (ii) where no consideration is or will be given for the transfer;
 - (iii) where the transfer is by operation of law;
 - (iv) as specified in Section 276(7) of the SFA; or
 - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the **SFA** is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified in its application or as amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise specified prior to an offer in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

FORMS OF NOTES

Form of Multicurrency Bearer Permanent Global Note

(Interest Bearing/Discounted) (ESG Note/Note)

THE SECURITIES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

TERNA - Rete Elettrica Nazionale Società per Azioni

Via Egidio Galbani 70, 00156 Rome, Italy

(incorporated with limited liability in the Republic of Italy)

Registered with the Companies' Register of Rome with number 05779661007

ISIN: _____	Series No.: _____
Issue Date: _____	Maturity Date ² : _____
Specified Currency: _____	Nominal Amount: _____ <i>(words and figures if a Sterling denominated Note)</i>
Denomination: _____	Reference Rate: _____ month
Interest Payment Date(s): _____	LIBOR/EURIBOR/ <i>specify other</i> ³ : _____
Reference Rate Screen Page: ⁴ _____	Interest Determination Date: ³ _____
Relevant Time: ³ _____	Day Count Fraction: ³ _____
Fixed Interest Rate: ⁵ _____ _____ % per annum	Margin: ⁶ _____ %
Minimum Redemption Amount: ^{7 8} _____	Calculation Agent: ⁵ _____
[New Global Note Form: ⁹ _____]	[New Global Note intended to be held in a manner which would allow Eurosystem eligibility ¹⁰ :

² Not to be more than 364 days from (and including) the Issue Date.

³ Complete/Delete as appropriate.

⁴ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR or EURIBOR is specified. If the specified Reference Rate is LIBOR or EURIBOR leave blank as these provisions are covered in paragraph 12 below.

⁵ Complete for fixed rate interest bearing Notes only.

⁶ Complete for floating rate interest bearing Notes only.

⁷ Complete for Sterling Notes only.

⁸ The Notes incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value.

⁹ Insert "Applicable" or "Not Applicable" as relevant.

¹⁰ Insert "Not Applicable", "Yes" or "No" as relevant.

[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “no” at the Issue Date, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

[Not Applicable]

[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the SFA).]

[insert notice if classification of the Notes are not “prescribed capital markets products” and “Excluded Investment Products”, pursuant to Section 309B of the SFA]

Corporate object of the Issuer:

The Issuer has for its object the exercise of the transmission and dispatching of electricity, including merged operations of the national transmission grid, as well as energy transport lines and transforming plants, to which it may hold title as better described under Article 4 of its by-laws.

Amount of paid-up share capital and reserves:

Issued share capital of Euro 442,198,240 divided into 2,009,992,000 ordinary shares with a nominal value of Euro 0.22 each.

Issuer’s reserves equal to Euro 617,660,889.00.

Resolution approving the issuance of the Notes:

12 May 2021 registered with the Companies’ Register of Rome on 24 May 2021.

Date of the Information Memorandum:

16 July 2021 (as supplemented, amended or replaced from time to time)

1. For value received, TERNA - Rete Elettrica Nazionale Società per Azioni (the **Issuer**) promises to pay to the bearer of this Global Note on the above-mentioned Maturity Date the above-mentioned Nominal Amount, together with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issuing and paying agency agreement dated 16 July 2021 (as amended, restated or supplemented from time to time, the **Issuing and Paying Agency Agreement**) between the Issuer and the issuing and paying agent referred to therein, a copy of which is available for inspection at the offices of Citibank, N.A., London Branch (the **Issuing and Paying Agent**) at Citigroup Centre, Canada Square, London E14 5LB, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note to or to the order of the Issuing and Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with (a) a bank in the principal financial centre in the country of the Specified Currency or (b) if this Global Note is denominated or payable in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Issuing and Paying Agent so chooses.

2. If this Global Note is not a New Global Note, this Global Note is issued in representation of an issue of Notes in the above-mentioned aggregate Nominal Amount.

If this Global Note is a New Global Note, this Global Note is issued in representation of an issue of Notes in an aggregate nominal amount as from time to time entered in the records of both Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**, and together with Euroclear, the international central securities depositories or **ICSDs**). The records of the ICSDs (which expression in this Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD), shall be conclusive evidence of the principal amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSDs at that time.

In either such case, the nominal amount of the Notes represented by the Global Note is defined herein as the **Nominal Amount**.

3. All payments in respect of this Global Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision or taxing authority of or in any of the foregoing (**Taxes**), unless the withholding or deduction of Taxes is required by law. In that event, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable:
 - (a) where this Global Note is presented for payment in the Republic of Italy;
 - (b) where this Global Note is presented for payment by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
 - (c) where this Global Note is presented for payment more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which

payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days; or

- (d) where this Global Note is presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by making a declaration or any other statement, including but not limited to, a declaration of residence or non-residence, but fails to do so; or
 - (e) in relation to any payment or deduction of any interest, principal or other proceeds on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 and any related implementing regulations (each as amended or supplemented from time to time); or
 - (f) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Republic of Italy.
4. Notwithstanding any other provision of the terms and conditions set forth herein, in no event will the Issuer be required to pay any additional amounts in respect of this Global Note for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.
5. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

“**Payment Business Day**” means any day other than a Saturday or Sunday which is either (a) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (b) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

“**TARGET Business Day**” means a day on which the Trans- European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Issuing and Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Issuing and Paying Agent shall procure that a notice of such amendment is published in accordance with paragraph 12(f) not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Issuing and Paying Agent may determine.

6. The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present

and future unsecured and unsubordinated obligations of the Issuer other than obligations mandatorily preferred by law applying to companies generally.

7. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
8. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
 - (a) if one or both of Euroclear and Clearstream, Luxembourg or any other relevant clearing system(s) in which this Global Note is held at the relevant time is closed for business for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or if any such clearing system announces an intention to, or does in fact, permanently cease to do business; or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issuing and Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issuing and Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the above-mentioned Specified Currency in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

9. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 16 July 2021 (as amended, re-stated or supplemented as of the date of issue of the Notes) entered into by the Issuer).
10. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the Nominal Amount shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of:
 - (i) this Global Note (if this Global Note is not a New Global Note) the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment;
 - (ii) this Global Note (if this Global Note is a New Global Note) details of such payment shall be entered *pro rata* in the records of the ICSDs; and
 - (c) payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to in (b) above shall not affect such discharge; and
 - (d) if no Interest Payment Dates are specified on the face of this Global Note, the Interest Payment Date shall be the Maturity Date.

11. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the above-mentioned Fixed Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
- (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “**Interest Period**” for the purposes of this paragraph.

12. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

- (a) in the case of a Global Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note:

“**LIBOR**” shall be equal to the rate defined as “ICE LIBOR” in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the “**ISDA Definitions**”)) as at 11 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a “**LIBOR Interest Determination Date**”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Global Note in relation to the Reference Rate; and

“**London Banking Day**” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note, “**EURIBOR**” shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a “**EURIBOR Interest Determination Date**”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined

in the ISDA Definitions) were the number of months specified on the face of this Global Note in relation to the Reference Rate;

- (c) in the case of a Global Note which specifies any other Reference Rate on its face, the Rate of Interest will be the aggregate of such Reference Rate and the Margin (if any) above or below such Reference Rate. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the Day Count Fraction specified hereon. As used in this Global Note, the Reference Rate shall be equal to the Reference Rate which appears on the relevant Screen Page as at the Relevant Time on the Interest Determination Date as each such term is specified hereon;
- (d) the Calculation Agent will, as soon as practicable after 11 a.m. (London time) on each LIBOR Interest Determination Date or 11 a.m. (Brussels time) on each EURIBOR Interest Determination Date or at the Relevant Time on each other specified Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for the relevant Interest Period. “**Rate of Interest**” means the rate which is determined in accordance with the provisions of paragraph 12 (a), (b) or (c) (as the case may be). The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 or the relevant Day Count Fraction and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
- (e) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**” for the purposes of this paragraph; and
- (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 8, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

13. Benchmark discontinuation

If a Benchmark Event occurs in relation to an Original Reference Rate when any required rate of interest (or any component part thereof) in respect of the holders of the Note (the “**Rate of Interest**”) remains to be determined by reference to such Original Reference Rate, then the following provisions of this paragraph 13 shall apply.

- (a) Successor Rate or Alternative Rate

If the Issuer, acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest for all relevant future payments of interest on the Notes (subject to the further operation of this paragraph 13), with effect as from the date or interest period specified in the notice delivered pursuant to paragraph 13(c) below; or

- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of for all relevant future payments of interest on the Notes (subject to the further operation of this paragraph 13), with effect as from the date or interest period specified in the notice delivered pursuant to paragraph 13(c) below.

(b) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this paragraph 13 and the Issuer, acting in good faith, determines the amendments to these paragraphs and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Issuer shall, subject to giving notice thereof in accordance with paragraph 13(c), without any requirement for the consent or approval of holders of the Notes, vary these paragraphs and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice. In connection with any such variation in accordance with this paragraph 13(b) the Issuer shall comply with the rules of any stock exchange on which the holders of the Notes may be listed or admitted to trading.

(c) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this paragraph 13 will be notified promptly by the Issuer to the Calculation Agent and the holder of the Notes. Such notice shall be irrevocable and shall specify (inter alia) the effective date of the Benchmark Amendments, if any. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) so notified will (in the absence of manifest error or bad faith) be binding on the Issuer, the Agent and the holders of the Notes.

(d) Definitions

For the purposes of this paragraph 13, unless defined above:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero), or (b) the formula or methodology for calculating a spread, in each case, which the Issuer determines (acting in good faith and in a commercially reasonable manner) to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to holders of the Notes as a result of replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the Issuer determines (acting in good faith and in a commercially reasonable manner) is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) if the Issuer determines that no such spread is customarily applied, the Issuer determines (acting in good faith and in a commercially reasonable manner) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

- (iv) if the Issuer determines that no such industry standard is recognised or acknowledged), the Issuer determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer determines (acting in good faith and in a commercially reasonable manner) in accordance with paragraph 13(a) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Currency as the Notes.

"**Benchmark Event**" means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Day or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate, stating, or to the effect, that the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (v) a public statement by the supervisor of the administrator of the relevant Rate of Interest that, in the view of such supervisor, such Rate of Interest is no longer representative of an underlying market or the methodology to calculate such Rate of Interest has materially changed; or
- (vi) it has or will prior to the next Determination Date become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any holder of the Notes using the Original Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable).

provided that in the case of sub-paragraphs (ii), (iii), (iv) and (v), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

"**Original Reference Rate**" means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group

of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board, the European Systemic Risk Board, or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate that the Issuer determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the relevant reference rate (for the avoidance of doubt, whether or not such reference rate has ceased to be available) which is formally recommended by any Relevant Nominating Body.

14. If the proceeds of this Global Note are accepted in the United Kingdom, the Nominal Amount (or the Minimum Redemption Amount, as the case may be) shall be not less than £100,000 (or the equivalent in any other currency).
15. Instructions for payment must be received at the offices of the Issuing and Paying Agent referred to above together with this Global Note as follows:
 - (a) if this Global Note is denominated in euro, United States dollars or Sterling, at least one Business Day prior to the relevant payment date; and
 - (b) in all other cases, at least two Business Days prior to the relevant payment date.

As used in this paragraph, "**Business Day**" means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
 - (ii) in the case of payments in euro, a TARGET2 Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.
16. This Global Note shall not be validly issued unless manually authenticated by Citibank, N.A., London Branch as Issuing and Paying Agent.
 17. If this Global Note is a New Global Note, this Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.
 18. This Global Note and all non-contractual obligations arising out of or in connection with it are governed by, and construed in accordance with, English law.

Each of the Issuer and the bearer agrees that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly each of them will not argue to the contrary.

Subject to the following paragraph, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Global Note, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Global Note (a "**Dispute**") and all Disputes will be submitted to the exclusive jurisdiction of the English courts.

19. The Issuer irrevocably appoints Law Debenture Corporate Services Limited at its registered office for the time being as its agent for service of process in England, to receive, for it and on its behalf, service of process in any Dispute in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office

of the Issuing and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 19 does not affect any other method of service allowed by law.

20. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.
21. If any provision in or obligation under this Global Note is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Global Note, and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Global Note.

AUTHENTICATED by
Citibank, N.A., London Branch

without recourse, warranty or
liability and for authentication
purposes only

By: _____
(*Authorised Signatory*)

Signed on behalf of:
**TERNA - Rete Elettrica Nazionale Società
per Azioni**

By: _____
(*Authorised Signatory*)

[**EFFECTUATED** by

COMMON SAFEKEEPER

without recourse, warranty or liability

By: _____
(*Authorised Signatory*)]¹¹

¹¹ This should only be completed where the term sheet or other equivalent document indicates that this Global Note is intended to be in New Global Note form.

SCHEDULE 1

PAYMENTS OF INTEREST¹²

The following payments of interest in respect of this Global Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Issuing and Paying Agent

¹² Applicable for a Global Note which is not a New Global Note only.

**Pro-forma Interest Calculation
(Floating rate Global Note)**

This is the Interest Calculation relating to the attached floating rate Global Note:

Calculation Date: _____

Calculation Agent: _____

Interest Amount (per note): to be calculated by the Calculation Agent as follows:

[Insert particulars of calculation]

Confirmed:

For **TERNA - Rete Elettrica Nazionale Società per Azioni**

Note: The Calculation Agent is required to notify the Issuing and Paying Agent for the Notes of the Interest Amount immediately upon completing its calculation of the same.

**Form of Multicurrency Definitive Note
(Interest Bearing/Discounted) (ESG Note/Note)**

TERNA - Rete Elettrica Nazionale Società per Azioni

*Via Egidio Galbani 70, 00156 Rome, Italy
(incorporated with limited liability in the Republic of Italy)*

Registered with the Companies' Register of Rome with number 05779661007

ISIN: _____	Series No.: _____
Issue Date: _____	Maturity Date: ¹³ _____
Specified Currency: _____	Nominal Amount: _____ (words and figures if a Sterling-denominated Note)
Denomination: _____	Reference Rate: _____ month LIBOR/EURIBOR/specify other ¹⁴
Reference Rate Screen Page: ¹⁵ _____	Interest Determination Date: ¹⁵ _____
Relevant Time: ¹⁵ _____	Day Count Fraction: ¹⁵ _____
Calculation Agent: ¹⁶ _____	Minimum Redemption Amount ¹⁷ ¹⁸ : _____
Fixed Interest Rate: ¹⁹ _____ % per annum	Margin: ²⁰ _____ %
Calculation Agent: ¹⁹ _____	Interest Payment Date(s): ²¹ _____

[Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the SFA).]

[insert notice if classification of the Notes are not "prescribed capital markets products" and "Excluded Investment Products", pursuant to Section 309B of the SFA]

Corporate object of the Issuer:

The Issuer has for its object the exercise of the transmission and dispatching of electricity, including merged operations of the national transmission grid, as well as energy transport lines and transforming plants, to which it may hold title, as better described under Article 4 of its by-laws.

Amount of paid-up share capital and reserves:

Issued share capital of Euro 442,198,240 divided into 2,009,992,000 ordinary shares with a nominal value of Euro 0.22 each.

Issuer's reserves equal to Euro 617,660,889.00.

¹³ Not to be more than 364 days from (and including) the Issue Date.

¹⁴ Complete/Delete as appropriate.

¹⁵ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR or EURIBOR is specified. If the specified Reference Rate is LIBOR or EURIBOR leave blank as these provisions are covered in paragraph 9 below.

¹⁶ Complete for floating rate interest bearing Notes only.

¹⁷ Complete for a Sterling Note only.

¹⁸ The Notes incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value.

¹⁹ Complete for fixed rate interest bearing Notes only.

²⁰ Complete for floating rate interest bearing Notes only.

²¹ Complete for interest bearing Notes.

Resolution approving the issuance of the Notes: 12 May 2021 registered with the Companies' Register of Rome on 24 May 2021.

Date of the Information Memorandum: 16 July 2021 (as supplemented, amended or replaced from time to time)

1. For value received, TERNA - Rete Elettrica Nazionale Società per Azioni (the “**Issuer**”) promises to pay to the bearer of this Note on the above-mentioned Maturity Date the above-mentioned Nominal Amount, together with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issuing and paying agency agreement dated 16 July 2021 (as amended, restated or supplemented from time to time, the “**Issuing and Paying Agency Agreement**”) between the Issuer and the Issuing and Paying Agent referred to therein, a copy of which is available for inspection at the offices of Citibank, N.A., London Branch. (the “**Issuing and Paying Agent**”) at Citigroup Centre, Canada Square, London E14 5LB, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the offices of the Issuing and Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer with (a) a bank in the principal financial centre in the country of the Specified Currency or (b) if this Note is denominated in euro, by euro cheque drawn on, or by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union.

Notwithstanding the foregoing, presentation and surrender of this Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Note denominated in U.S. dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or Issuing and Paying Agent so chooses.

2. All payments in respect of this Note by or on behalf of the Issuer shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision or taxing authority of or in any of the foregoing (“**Taxes**”), unless the withholding is required by law. In that event, the Issuer shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable:
 - (a) where this Note is presented for payment in the Republic of Italy;
 - (b) where this Note is presented for payment by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
 - (c) where this Note is presented for payment more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Note on the last day of such period of 15 days; or
 - (d) where this Note is presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by making a declaration or any other statement, including but not limited to, a declaration of residence or non-residence, but fails to do so; or

- (e) in relation to any payment or deduction of any interest, principal or other proceeds on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 or future similar law and any related implementing regulations (each as amended or supplemented from time to time); or
 - (f) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Republic of Italy.
3. Notwithstanding any other provision of the terms and conditions set forth herein, in no event will the Issuer be required to pay any additional amounts in respect of this Note for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.
 4. The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations mandatorily preferred obligations applying to companies generally.
 5. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Note:

“**Payment Business Day**” means any day other than a Saturday or Sunday which is either (a) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (b) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

“**TARGET Business Day**” means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Issuing and Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Issuing and Paying Agent shall procure that a notice of such amendment is published in accordance with paragraph 9(f) not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Issuing and Paying Agent may determine.

6. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
7. If this is an interest bearing Note, then:

- (a) notwithstanding the provisions of paragraph 0 above, if any payment of interest in respect of this Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the Nominal Amount shall be payable on such fifteenth day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issuing and Paying Agent to reflect such payment.
8. If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the above-mentioned Fixed Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an “**Interest Period**” for the purposes of this paragraph.
9. If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- (a) in the case of a Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days.

As used in this Note:

“**LIBOR**” shall be equal to the rate defined as “ICE LIBOR” in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the “**ISDA Definitions**”)) as at 11 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a “**LIBOR Interest Determination Date**”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate; and

“**London Banking Day**” shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only,

in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note, “**EURIBOR**” shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a “**EURIBOR Interest Determination Date**”), as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Note in relation to the Reference Rate;

- (c) in the case of a Note which specifies any other Reference Rate on its face, the Rate of Interest will be the aggregate of such Reference Rate and the Margin (if any) above or below such Reference Rate. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the Day Count Fraction specified hereon. As used in this Note, the Reference Rate shall be equal to the Reference Rate which appears on the relevant Screen Page as at the Relevant Time on the Interest Determination Date as each such term is specified hereon;
- (d) the Calculation Agent will, as soon as practicable after 11 a.m. (London time) on each LIBOR Interest Determination Date or 11 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be) or at the Relevant Time on each other specified Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the “**Amount of Interest**”) for the relevant Interest Period. “**Rate of Interest**” means the rate which is determined in accordance with the provisions of paragraph 9(a), (b) or (c) (as the case may be). The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each Denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, by 365 or the relevant Day Count Fraction and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
- (e) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**” for the purposes of this paragraph; and
- (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note, or if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

10. Benchmark Discontinuation

If a Benchmark Event occurs in relation to an Original Reference Rate when any required rate of interest (or any component part thereof) in respect of the holders of the Note (the “**Rate of Interest**”) remains to be determined by reference to such Original Reference Rate, then the following provisions of this paragraph 10 shall apply.

- (a) Successor Rate or Alternative Rate

If the Issuer, acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest for all relevant future payments of interest on the Notes (subject to the further operation of this paragraph 10), with effect as from the date or interest period specified in the notice delivered pursuant to paragraph 10(c) below; or
 - (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of for all relevant future payments of interest on the Notes (subject to the further operation of this paragraph 10), with effect as from the date or interest period specified in the notice delivered pursuant to paragraph 10(c) below.
- (b) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this paragraph 10 and the Issuer, acting in good faith, determines the amendments to these paragraphs and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Issuer shall, subject to giving notice thereof in accordance with paragraph 10(c), without any requirement for the consent or approval of holders of the Notes, vary these paragraphs and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice. In connection with any such variation in accordance with this paragraph 10(b) the Issuer shall comply with the rules of any stock exchange on which the holders of the Notes may be listed or admitted to trading.

- (c) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this paragraph 10 will be notified promptly by the Issuer to the Calculation Agent and the holder of the Notes. Such notice shall be irrevocable and shall specify (inter alia) the effective date of the Benchmark Amendments, if any. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) so notified will (in the absence of manifest error or bad faith) be binding on the Issuer, the Agent and the holders of the Notes.

- (d) Definitions

For the purposes of this paragraph 10, unless defined above:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero), or (b) the formula or methodology for calculating a spread, in each case, which the Issuer determines (acting in good faith and in a commercially reasonable manner) to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to holders of the Notes as a result of replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the Issuer determines (acting in good faith and in a commercially reasonable manner) is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in

international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

- (iii) if the Issuer determines that no such spread is customarily applied, the Issuer determines (acting in good faith and in a commercially reasonable manner) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);
- (iv) if the Issuer determines that no such industry standard is recognised or acknowledged, the Issuer determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"Alternative Rate" means an alternative benchmark or screen rate which the Issuer determines (acting in good faith and in a commercially reasonable manner) in accordance with paragraph 10(a) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Currency as the Notes.

"Benchmark Event" means, with respect to an Original Reference Rate:

- (i) the Original Reference Rate ceasing to be published for a period of at least 5 Business Day or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate, stating, or to the effect, that the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or
- (v) a public statement by the supervisor of the administrator of the relevant Rate of Interest that, in the view of such supervisor, such Rate of Interest is no longer representative of an underlying market or the methodology to calculate such Rate of Interest has materially changed; or
- (vi) it has or will prior to the next Determination Date become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any holder of the Notes using the Original Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable).

provided that in the case of sub-paragraphs (ii), (iii), (iv) and (v), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

"Original Reference Rate" means the benchmark or screen rate (as applicable) originally specified for the purpose of determining the relevant Rate of Interest.

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board, the European Systemic Risk Board, or any part thereof.

"Successor Rate" means a successor to or replacement of the Original Reference Rate that the Issuer determines (acting in good faith and in a commercially reasonable manner) is a successor to or replacement of the relevant reference rate (for the avoidance of doubt, whether or not such reference rate has ceased to be available) which is formally recommended by any Relevant Nominating Body.

- 11. If the proceeds of this Note are accepted in the United Kingdom, the Nominal Amount (or Minimum Redemption Amount, as the case may be) shall be not less than £100,000 (or the equivalent in any other currency).
- 12. Instructions for payment must be received at the offices of the Issuing and Paying Agent referred to above together with this Note as follows:
 - (a) if this Note is denominated in euro, United States dollars or Sterling, at least one Business Day prior to the relevant payment date; and
 - (b) in all other cases, at least two Business Days prior to the relevant payment date.

As used in this paragraph, **"Business Day"** means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
 - (ii) in the case of payments in euro, a TARGET2 Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.
- 13. This Note shall not be validly issued unless manually authenticated by Citibank, N.A., London Branch as Issuing and Paying Agent.
 - 14. This Note and all non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with, English law.

Each of the Issuer and the bearer agrees that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly each of them will not argue to the contrary.

Subject to the following paragraph, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Note, including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Note (a **Dispute**) and all Disputes will be submitted to the exclusive jurisdiction of the English courts.

15. **Process agent**

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at its registered office for the time being as its agent for service of process in England, to receive, for it and on its behalf, service of process in any Dispute in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Issuing and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 15 does not affect any other method of service allowed by law.

16. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.
17. If any provision in or obligation under this Note is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Global Note, and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Global Note.

Signed on behalf of:

TERNA - RETE ELETTRICA NAZIONALE SOCIETÀ PER AZIONI

By: _____
(*Authorised Signatory*)

AUTHENTICATED by

CITIBANK, N.A., LONDON BRANCH

without recourse, warranty or liability and for authentication purposes only

By: _____
(*Authorised Signatory*)

SCHEDULE 1

PAYMENTS OF INTEREST

The following payments of interest in respect of this Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Issuing and Paying Agent
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Pro-forma Interest Calculation
(Floating rate Note)**

This is the Interest Calculation relating to the attached floating rate Note:

Calculation Date: _____

Calculation Agent: _____

Interest Amount: to be calculated by the Calculation Agent as follows:

[Insert particulars of calculation]

Confirmed:

For **TERNA - Rete Elettrica Nazionale Società per Azioni**

Note: The Calculation Agent is required to notify the Agent for the Notes of the Interest Amount immediately upon completing its calculation of the same.

PROGRAMME PARTICIPANTS

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