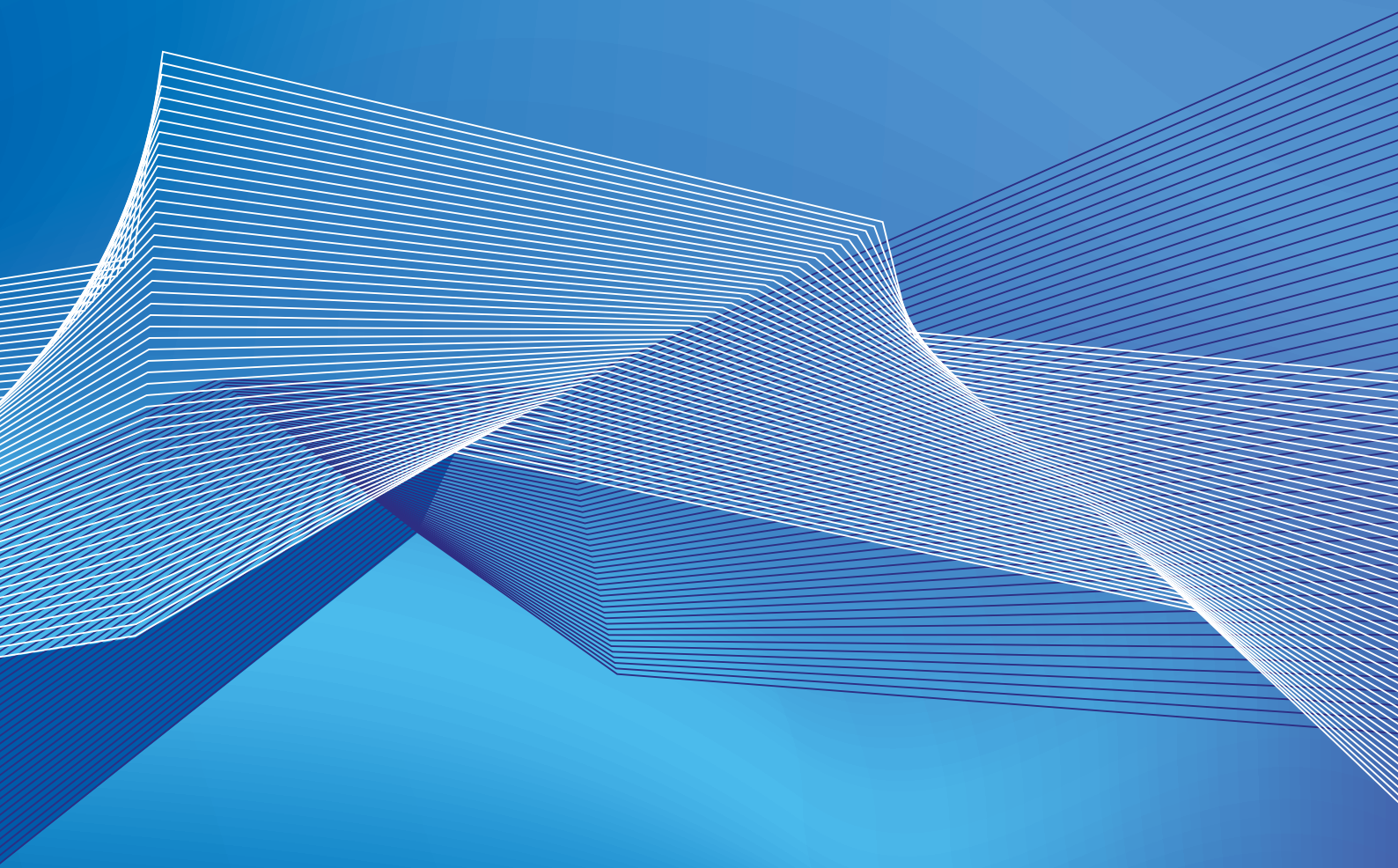
2026

Information Circular on **Performance Share Plan 2026-2030** of Terna S.p.A.

26 March 2026



TERNA S.P.A. AND TERNA'S GROUP

Terna
Driving Energy

Information Circular on Performance Share Plan 2026-2030 of Terna S.p.A.

prepared in accordance with Article 114-*bis* of Legislative Decree 58 of 24 February 1998 (Consolidated Law on Finance or the 'CLF') and Article 84-*bis* of the Regulation adopted by CONSOB with resolution no. 11971 of 14 May 1999, as subsequently amended (the 'Issuers' Regulation')

This is a translation of the original Italian text.
For any difference in the meaning between the original Italian text and its translation, the Italian text prevails.



MISSION

Terna is investing in Italy's development

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

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

PURPOSE

We are behind the energy you use every day

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

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

VISION

We care about the future of energy

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

Due to our comprehensive understanding of the electricity system.

Introduction

Terna has been using forms of variable remuneration for management, linked to corporate multi-year performance, for some time now, with the aim of linking a part of remuneration to the creation of sustainable long-term value.
Terna has equity incentive plans in place, which are rolling schemes with equity-based compensation, portions of which are granted annually.
The Performance Share Plan 2024-2028 and the Performance Share Plan 2025-2029 are currently in place, both with a three-year vesting period and a two-year lock-up period, in line with the developments in the regulatory framework.

These share plans make it possible to reward long-term, sustainable growth in shareholder value over time and allow greater alignment with market practices, the recommendations in the Corporate Governance Code and the objectives in the Industrial Plan.

Regarding 2026, the preceding approach is maintained in terms of architecture and a new Performance Share Plan is proposed, introducing some changes in relation to the underlying indicators, always ensuring that interests of management and those of shareholders are aligned.

The new Plan, covering a period of five years, provides for the grant of the right to the award of a number of Terna S.p.A. ordinary shares free of charge if predetermined performance targets, closely linked to the achievement of the company's long-term strategic objectives, have been met. These instruments will make it easier to attract and retain key personnel and ensure that the remuneration packages offered to Terna's management are suitably competitive.

The new Plan was approved by the Board of Directors on 26 March 2026, upon the recommendation of the Remuneration and Nominations Committee. It will be submitted for approval, in the form of this Information Circular, to the General Meeting of Shareholders.

This Information Circular has been prepared in accordance with Article 84-*bis* of the Issuers' Regulation and in line with the indications in Form 7 of Annex 3A to the Issuers' Regulation, including with regard to the numbering of the related paragraphs. The aim of the Circular is to provide the General Meeting of Shareholders with the information necessary to decide upon the approval of the equity-based incentive plan [concerning financial instruments], referred to as the "Performance Share Plan 2026-2030".

The Annual General Meeting of Shareholders for 2026, convened for the approval of the 'Performance Share Plan 2026-2030', shall be held as a single call event on 12 May 2026, as determined by the Board of Directors on 26 March 2026.

The Plan is deemed to be of 'particular significance', as defined by Article 114-*bis*, paragraph 3 of the CLF and Article 84-*bis*, paragraphs 2(a) and 2(b) of CONSOB's Issuers' Regulation.

This Information Circular is available for consultation at the registered office of TERNA S.p.A. (at Viale Egidio Galbani, 70 in Rome), on the TERNA S.p.A. website (www.terna.it) and on the website of the authorised storage service "1Info" (www.1info.it). The Circular has also been filed with the stock exchange management company Borsa Italiana S.p.A. (www.borsaitaliana.it).

Definitions

Unless otherwise expressly indicated, the following terms have the following definitions. It is hereby understood that the following expressions and terms importing the feminine gender include the masculine and that expressions and terms in the singular include the plural.

'Award'	the award free of charge of Performance Shares to each Beneficiary upon the conclusion of the vesting period and upon achievement of specific objectives;
'Beneficiaries'	the management personnel of the Terna Group for whom the Plan is designed;
'Bonus'	means the Bonus resulting from the Plan to be paid in Shares of the Company to each Beneficiary, at the end of the Vesting Period, based on the achievement of the Performance Objectives and the implementation conditions defined in the Regulations of the Performance Share Plan;
'Company'	TERNA - Rete Elettrica Nazionale Società per Azioni (abbreviated as 'TERNA S.p.A.'), with registered office in Viale Egidio Galbani 70, Rome Register of Companies, Tax identification code and VAT no. 05779661007, Rome R.E.A. (Economic and Administrative Index) no. 922416;
'Connections'	a measure of Terna's efficiency in meeting average connection times to the National Transmission Grid by renewable source energy generation systems and energy storage plants;
'Council' or 'BoD'	the Board of Directors of the Company as per its current composition;
'Dividend equivalent'	indicates the number of Shares additional to the Shares actually allocated corresponding to the equivalent value of the dividends not used with respect to the number of Shares actually allocated;
'Funds from operations (FFO) to Average Net Debt'	an indicator providing the ratio of cash flows from business operations ('Funds From Operations') to 'Net debt', it measures the company's capacity to generate sufficient cash flows to cover future debt repayments;
'General Meeting of Shareholders'	the Annual General Meeting of the Company's shareholders;
'Grant'	the grant to each Beneficiary of the right to the award of a given number of Performance Shares free of charge upon the conclusion of the vesting period and upon achievement of specific objectives;
'Grant Letter'	the letter with which the Company notifies each Beneficiary of their participation in the Plan, also indicating the right granted for the award of a number of Terna S.p.A. shares (Performance Shares) free of charge, as well as the Performance Objectives and the Targets;
'Hedging'	means hedging operations aimed at protecting or reducing the risk associated with an investment;
'Lock-Up Period'	the period of two years, starting from the award of the shares (Performance Shares), during which time the shares are subject to a non-transferability restriction;
'Overgeneration'	an indicator that measures reduced use of modulated production from generation using non-programmable renewable sources (wind and solar), requested by Terna to meet security requirements for the National Electricity System;
'Participating Company'	one of the Terna Group companies that has a relationship with a Beneficiary;

'Performance Objectives'	the objectives set by the Board of Directors in relation to the vesting period, upon recommendation of the Remuneration and Nominations Committee, the achievement of which earns them the right to the award of the shares (Performance Shares);
'Plan'	the Plan referred to as the 'Performance Share Plan 2026-2030', consisting of this document and its implementing documentation;
'Regulation'	the document, approved by the Board of Directors upon the proposal of the Remuneration and Nominations Committee, which governs the terms and conditions of implementation of the Plan;
'Relationship'	the management or employment relationship existing between the Beneficiary and the Terna Group Company;
'Remuneration and Nominations Committee'	the Remuneration and Nominations Committee established as part of the Terna S.p.A. Board of Directors in its composition from time to time;
'Right'	the right granted free of charge to the Beneficiaries of the award of a given number of shares according to the Regulation of the Performance Share Plan and the Grant Letter;
'Right Grant Date'	the date of resolution by the Board on which the right to award a number of Terna S.p.A. shares free of charge is granted;
'Share Award Date'	the date of resolution by the Board determining the number of shares to be awarded to each Beneficiary;
'Shares'	the ordinary shares of the Company;
'Stock Exchange'	screen-based trading system (Mercato Telematico Azionario) organised and managed by Borsa Italiana S.p.A.;
'Target Value'	the value of the Bonus in the case of 100% overall achievement of the objectives;
'Terna Group'	(i) the Company; and (ii) the Company's Subsidiaries;
'Total Shareholder Return'	a measure of the total return from an equity investment, calculated as the sum of: i) the capital gain: the change in the share price (difference between the price at the end and at the beginning of the relevant period) as a percentage of the price at the beginning of the period; ii) reinvested dividends: the ratio between dividends per share paid out during the period and the share price at the beginning of the period.
'Vesting Period'	indicates the three-year period, in relation to which the Performance Objectives are measured;
'Volume Weighted Average Price (VWAP)'	indicates the weighted average price for the traded volumes of Terna shares on the Italian Stock Exchange (MTA), calculated by Bloomberg through the 'TRN IM Equity AQR' function, excluding opening and closing auctions, block trades and any cross trades on the market.

1. Beneficiaries

1.1 Identification of the names of beneficiaries who are members of the board of directors or management board of the financial instruments issuer, of the companies controlling the issuer and of the companies directly or indirectly controlled by it

The Beneficiaries of this Plan include the General Manager of the Company, who currently also holds the position of Chief Executive Officer.

1.2 Categories of employee or other collaborators of the financial instruments issuer and of the companies that control or are controlled by the issuer

The potential Beneficiaries of the Plan include Key Management Personnel and other managers selected among the Terna Group's senior and middle managers, who play an important role in achieving the Group's strategic results. These Beneficiaries will be identified during Plan implementation, on the same or on different dates, provided that it occurs normally by 31 December 2026.
The Board of Directors, or the Chief Executive Officer acting on its authority, nominates the Beneficiaries at its discretion.

Participation of the Beneficiaries in the Plan is determined exclusively on the basis of the management role held within the Terna Group's organisational structures and, therefore, is in no way related to any offices as may be held by Beneficiaries within the Company's governing bodies or those of Subsidiaries. For this reason, the names of such persons are not provided.

1.3 The names of the parties benefitting from the plan belonging to the following groups:

a) *General Managers of the issuer of financial instruments;*
The Plan applies to the Company's General Manager.

b) *other key management personnel of the financial instruments issuer not classed as 'small', as defined by Article 3, paragraph 1(f) of Regulation no. 17221 of 12 March 2010, if they have, over the course of the year, received total pay (obtained by summing the cash payments and equity-based payments) in excess of the highest total pay awarded to members of the Board of Directors or the management board, and to general managers of the financial instruments issuer;*
The names of additional Beneficiaries to be included in the groups indicated under point 1.3(b) of Annex 3A, Form 7 of the Issuers' Regulation, will be provided later, as per Article 84-*bis*, paragraph 5(a) of the Issuers' Regulation.

c) *natural persons who control the share issuer, who are employees of or who work for the share issuer;*
Not applicable.

1.4 Description and number, broken down by category:

The Plan is intended for the General Manager, Key Management Personnel and other managers selected among the Terna Group's senior and middle managers, who play an important role in achieving the Group's strategic results. The Plan is valid for up to a maximum of 180 Beneficiaries.

The disclosures required by the above paragraphs 1.2, 1.3. and 1.4 will be provided, where applicable, during implementation of the Plan, pursuant to Article 84-*bis*, paragraph 5(a) of the Issuers' Regulation.

The incentive scheme on which the Plan is based is the same for all Beneficiaries, differing only in the size of the grant, which increases in relation to the role held, the responsibilities assigned and the strategic nature of the manager.

2. Reasons for the adoption of the Plan

2.1 Objectives to be achieved by means of the plans

The aim of the Plan is to retain management, more effectively aligning the interests and performance of managers holding key roles with the creation of long-term value for shareholders.
In particular, the aim of the Plan is the pursuit of the following objectives:

- to focus the attention of top management and key personnel on medium- to long-term strategic success factors, ensuring the complete alignment of the interests of management with those of shareholders;
- to strengthen the retention policies for management and key personnel by maintaining and improving the competitiveness of the Group's remuneration both in Italy and internationally;
- to boost the attractiveness of remuneration for key personnel, creating a strong link between pay, the results achieved and the creation of shareholder value;
- to highlight Terna's commitment to issues relating to sustainability and social and environmental responsibility.

The Plan covers the medium- to long-term, with a three-year vesting period plus a two-year lock-up period for a portion of the Bonus, during which time the shares are subject to a non-transferability restriction. In line with the recommendations provided for in the Corporate Governance Code[1], this period was considered the most suitable for pursuing the pre-established objectives of the incentive plan and, in particular, to focus Beneficiaries' attention on the Terna Group's medium-to long-term strategic success factors.

2.2 Key variables, including in the form of performance indicators taken into account in providing awards under financial instruments

This Plan provides for the grant of the right to the award of a number of Terna S.p.A. shares (Performance Shares) free of charge upon the conclusion of the vesting period, provided that the performance objectives to which the Plan is linked have been achieved.

The final Bonus under the Plan thus depends on:

- the number of vested shares (based on the performance of the Terna Group);
- the value of the share, based on the stock market performance.

Each Beneficiary will be granted the right to the award of a given number of shares in Terna S.p.A. free of charge, as communicated in the grant letter.

Upon the conclusion of the vesting period, a given number of Performance Shares shall be awarded to Beneficiaries based on the results achieved in the previous three years, with a 30% portion of the shares, free of tax and/or social security contributions, subject to a non-transferability restriction (lock up) for a period of two years.

[1] *"Share-based remuneration plans for executive directors and top management must encourage alignment with the long-term interests of shareholders, requiring the prevailing portion of a plan to be subject to an overall vesting period and a lock-up period for the shares granted of at least five years".*

The performance indicators to which the Plan is linked are:

1. Operating performance, with a relative weight of 30% - **Funds From Operations (FFO)** on Average Net Debt 2026-2028; the relative score curve is shown below:

FFO / AVERAGE NET DEBT 2026-2028	SCORE
<10%	0%
10%	80%
10.5%	100%
≥11%	150%

Linear interpolation is applied in the case of intermediate values.

2. Market performance, with a relative weighting of 15% – relative **Total Shareholder Return (TSR)**, measured in terms of Terna's positioning compared with a benchmark peer group , over a period of three years; the related score range shown below:

TERNA RANKING	SCORE
5th, 6th or 7th place	0%
4th place	80%
3rd place	100%
1st or 2nd place	150%

If, despite ranking in 1st or 2nd place, Terna's TSR is negative in the reference period, the overperformance will not be recognised and the associated score will be 85% (the "negative TSR threshold").

3. Industrial/ESG performance, with a total relative weighting of 55%, in relation to:

Overgeneration (weighting 30%)***:*** which involves reduced use of modulated production from generation using non-programmable renewable sources wind and power, requested by Terna to meet security requirements for the National Electricity System. The related score range is shown below:

CHANGE ON ADJUSTED REDUCTION RATE IN THE REPORTING PERIOD*	SCORE
> 0 GWh	0%
0 GWh: compliance with target (564GWh)	80%
-28 GWh: saving of 5% versus target (536 GWh)	100%
-56 GWh: saving of 10% versus target (508 GWh)	150%

Linear interpolation is applied in the case of intermediate values.
** The actual cut in production from Non-Programmable Renewable Sources in each year of the three-year period is adjusted according to the change in hourly residual load recorded over the three years in relation to the five-year reference period and having neutralised the impact of any unavailability related to grid renewal and development activities or due to force majeure and requests from third parties. The average value for the three years represents the 'adjusted annual average cut in production from non-programmable renewable sources'.*

[2] In addition to Terna, the peer group is made up of the following companies: Snam, Redeia, Enagas, National Grid, Severn Trent, United Utilities. Equities that are subject to extraordinary transactions that entail their delisting or a significant reduction in the free float, will be replaced (up to a maximum of two) by the following stock, listed in order: Elia, REN.

Connections (weighting 25%): this indicator measures Terna's efficiency in meeting average connection times to the National Transmission Grid by renewable source energy generation systems and energy storage plants.

CONNECTION TIMES	SCORE
Connection time* (average)** more than 110% of the time stipulated in the connection contracts***	0%
Connection time* (average)** between 100% and 110% of the time stipulated in the connection contracts***	80%
Connection time* (average)** within the time stipulated in the connection contracts***	100%
Connection time* (average)** within 90% of the time stipulated in the connection contracts***	150%

(*) Difference between the date on which Terna is ready to grant the first parallel to the plant and the date under contractual provisions.
(**) The average is weighted on the maximum input power requested by the Applicant.
(***) The time stipulated in the contracts, as provided for in Chapter 1 (art. 1A.5.9.3) of the Grid Code, is defined according to defined standards and published by Terna on its website (https://download.terna.it/terna/0000/0105/92.pdf).

Assessment of the achievement of the Plan objectives will be conducted by the Board of Directors in order to determine the number of Performance Shares to be awarded, based on the indications of the Remuneration and Nominations Committee and the relevant departments, during the approval of the financial statements as at 31 December 2028.

2.3 Elements underlying the determination of the size of the equity-based compensation, namely the criteria used to determine such payments

The Target Value for the grant is represented by a percentage of the Beneficiary's fixed pay and varies according to their role and the strategic nature of the manager. This value may vary, depending on the role, from 20% up to a maximum of 97% of the fixed pay of the Chief Executive Officer and General Manager (i.e. 123.6% of the General Manager's fixed pay) for the entire three-year plan.

Upon inclusion in the Plan, each Beneficiary will be informed that they have been granted the right to the award of a given number of shares in Terna S.p.A. free of charge via the grant letter.

The accrual of the right and, therefore, the award of the Performance Shares is conditional upon achieving the established Performance Objectives described in point 2.2. Below an overall performance threshold, equal to 80% of the target, no shares will be awarded to the Beneficiary. In addition, 30% of the shares awarded, free of tax and/or social security contributions, are subject to a two-year non-transferability restriction.

After the conclusion of the vesting period, the Board of Directors, according to the opinion of the Remuneration and Nominations Committee, will assess the level to which the Performance Objectives have been achieved, thereby determining the number of shares to be awarded. The overall performance is measured as the weighted average of the scores achieved for each of the objectives, based on the respective performance ranges. Below an overall performance threshold of 80% of the target (the 'Gate'), no shares will be awarded to the Beneficiary. The maximum overall score is 150% of the level of the grant at target.

The number of Performance Shares to be awarded to Beneficiaries will be determined based on the following:

- Terna Group's consolidated financial statements approved by the General Meeting of the Company's Shareholders;
- the Total Shareholder Return, as calculated by the Company's 'Administration, Finance and Control' Department or by any external auditor appointed to certify the results achieved;
- the Overgeneration value resulting from the calculations provided by the 'Grid Development and Dispatching Strategies' Department;
- the Connections value resulting from the calculations provided by the 'National Transmission Grid' Department.

2.4 Reasons underlying the decision to provide awards based on equity-based plans concerning financial instruments not issued by the financial instruments issuer, such as financial instruments issued by subsidiaries, parents or third-party companies outside the group of origin; in the event that such instruments are not traded on regulated markets, information on the criteria used to determine the value assigned to them

Not applicable.

2.5 Considerations on any significant tax and accounting implications that have affected the nature of the plan

There are no material tax or accounting implications that have had an impact on the nature of the Plan. With regard to payment of the Bonus, the tax regime applicable and in force in the country in which each Beneficiary is resident for tax purposes will be taken into consideration.

2.6 Any support for the plan from the Special Fund to Encourage Worker Participation in Businesses, as defined in Article 4, paragraph 112 of Law No. 350 of 24 December 2003

The Plan does not receive any form of support from the Special Fund to Encourage Worker Participation in Businesses, as defined in Article 4, paragraph 112 of Law No. 350 of 24 December 2003.

3. Approval procedure and timing of the grant of the instruments

3.1 Scope of powers and roles delegated by the Annual General Meeting to the Board of Directors in order to implement the plan

On 26 March 2026, the Board, upon the recommendation of the Remuneration and Nominations Committee, decided to submit the Plan for approval by General Meeting of Shareholders convened for 12 May 2026.

The Annual General Meeting of Shareholders, convened for the approval of Terna S.p.A.'s Long-term Performance Share Incentive Plan for 2026-2030, shall be asked to assign to the Board (upon the recommendation of the Remuneration and Nominations Committee) the broadest possible powers necessary or appropriate in order to implement the Plan, with the right to subdelegate such authority if required. These powers are to be exercised in accordance with the principles established by the said Annual General Meeting and described in this Information Circular. This includes, merely by way of example and without limitation, the power – where necessary, in consultation with the Remuneration and Nominations Committee - to (i) approve and/or amend and/or add to the Plan Terms and Conditions; (ii) name Beneficiaries; (iii) determine the number of shares to award, based on the performance achieved by each Beneficiary; (iv) to perform any act, obligation, formality or communication that may be necessary or appropriate in order to manage and/or implement the Plan, including its amendment in compliance with the provisions of this Information Circular.

3.2 Indication of the persons tasked with administering the plan and their role and responsibilities

The bodies responsible for managing the Plan for the General Manager and Key Management Personnel are the Board of Directors and the Remuneration and Nominations Committee, whilst for Beneficiaries other than the above, the body responsible for managing the Plan is an entity specifically delegated for this purpose by the Board of Directors, in consultation with the Remuneration and Nominations Committee.

Each Beneficiary must abstain during votes relating to decisions on their compensation, in addition to absenting themselves from Board meetings during related discussions.

3.3 Any procedures in place for reviewing the plan, including in response to any amendments in the underlying objectives

If the shares are transformed or converted into a different number of shares in the Company, as a result of capital transactions, including, but not limited to, share splits and consolidations, the Board may resolve, at its discretion, to make any necessary changes to the number of shares linked to the right, with the abstention of Plan Beneficiaries.

The Board, in consultation with the Remuneration and Nominations Committee and at its sole discretion, with the abstention of any Beneficiaries, shall also have the authority to adjust the Performance Objectives so as to ensure, in the interests of the Beneficiaries, a situation that is substantively fair with respect to the pre-existing situation, should extraordinary and/ or unforeseen situations or circumstances arise that may significantly affect the Group's results and/or scope or, more generally, the parameters on which the Performance Objectives are based. This provision is solely in order to preserve the purpose of the Plan in terms of ensuring its ongoing alignment with the Company's business objectives and with the objectives underlying the Beneficiary incentive scheme system.

In the event of delisting or a change of control, the shares may, at the sole discretion of the Board, be awarded to Beneficiaries in advance with respect to the terms provided for in the Plan Terms and Conditions, applying the *pro rata temporis* principle.

The Board may, at its sole discretion, make any and all changes it deems appropriate to the Plan, so as to bring the Plan into line with statutory or regulatory provisions, or to correct any inconsistencies, defects or omissions in the Terms and Conditions and /or the Plan, with Plan Beneficiaries abstaining from any vote on such matters.

3.4 Description of the methods for determining the availability and the grant of the financial instruments on which the plans are based (for example: allocation of share free of charge, capital increases with the exclusion of option rights, the purchase and sale of treasury shares)

To implement the Plan, the Company will make use of treasury shares that will be purchased following the resolution passed by the General Meeting of Shareholders held on 12 May 2026.

3.5 Role played by each director in determining the features of the aforementioned plans; any conflicts of interest arising in relation to the directors involved

The Remuneration and Nominations Committee was involved, at the various stages, in defining the essential features of the Plan. The Committee consists entirely of non-executive directors, the majority of whom are independent, pursuant to the combined provisions of Articles 147-*ter*, paragraph 4 and Article 148, paragraph 3 of the CLF and Article 2 of the Corporate Governance Code.

The Chief Executive Officer and General Manager abstained from voting during discussions of their remuneration by the Board of Directors.

3.6 For the purposes of the requirements of Article 84-*bis*, paragraph 1, the date of the decision taken by the relevant body to propose approval of the plan to the annual general meeting and of any recommendation by the remuneration and nominations committee

At its meeting of 24 March 2026, the Remuneration and Nominations Committee unanimously expressed a favourable opinion on the proposed approval of the Plan by the Company's Board of Directors.

At its meeting of 26 March 2026, the Board of Directors approved the Plan, with the agreement of the Remuneration and Nominations Committee and the Board of Statutory Auditors, and proposed to submit the Plan for approval by the General Meeting of Shareholders to be held be held as a single call event on 12 May 2026.

3.7 For the purposes of the requirements of Article 84-*bis*, paragraph 5(a), the date of the decision taken by the relevant body regarding the granting of the instruments and of any recommendation to said body by the remuneration and nominations committee

The Right provided under the Plan will be granted to Beneficiaries by the Board of Directors in the case of the General Manager and Key Management Personnel and, in the case of Managers other than the above, by the body duly delegated for this purpose by the Board of Directors, in consultation with the Remuneration and Nominations Committee, following approval of the Plan by the Annual General Meeting of the Company's shareholders to be held as a single call event on 12 May 2026.

The date of the decision taken by the Board of Directors with regard to the Grant of the right to the award of a given number of Terna S.p.A. shares and the date of any proposal to the Board of Directors by the Remuneration and Nominations Committee are unknown at the time this Information Circular is prepared and, therefore, will be communicated later in accordance with Article 84-*bis*, paragraph 5(a) of the CONSOB Issuers' Regulation.

3.8 The market price, recorded on the above dates, of the financial instruments on which the plan is based, if traded on regulated markets

The market price of the shares at the time of the grant of the right by the Board of Directors will be announced in accordance with Article 84-*bis*, paragraph 5 of CONSOB's Issuers' Regulation.

On 26 March 2026, the date on which the Board of Directors convened to finalise the proposed approval of the Plan to be submitted to the General Meeting of Shareholders, the official closing price of Terna's Shares on the Stock Exchange was € 9.476.

3.9 In the case of plans based on financial instruments traded on regulated markets, the terms and procedures that the issuer takes into account, when establishing the timing of the granting of instruments in implementation of the plans, the potential for the timing of the following events to coincide:

i. the above grant and any decisions made in this regard by the Remuneration and Nominations Committee, and

ii. the disclosure of any relevant information, as defined by Article 17 of Regulation (EU) 596/2014; for example, where such information is:

   a. not already public and capable of positively influencing market prices, or

   b. already published and capable of negatively influencing market prices.

The entire period of implementation of the Plan will take place in full compliance with the reporting requirements to which the Company is subject under the applicable legislation and regulations. In this way, the transparency and fair disclosure of the information provided to the market will be ensured, as will compliance with the Company's own procedures. Any potential control measures may be decided on by the Board of Directors when determining the Plan Terms and Conditions.

4. Nature of the instruments awarded

4.1 Description of the way in which the equity-based plans are structured

The Plan envisages the grant, to each of the Beneficiaries, of the right to the award of a given number of shares free of charge, in accordance with the Plan Terms and Conditions set out in the Regulation and the grant letter. The number of shares to be awarded to Beneficiaries is subject to achievement of Performance Objectives, based on the criteria described in paragraph 2.2.

The shares are awarded upon the conclusion of the vesting period based on the criteria described in paragraph 2.2.

Upon the conclusion of the vesting period, each Beneficiary may also be awarded an additional number of shares (the dividend equivalent). These additional shares correspond with the value of any dividends not received on the shares actually awarded, with the aim of ensuring greater alignment between the interests of management and those of investors. The number of additional shares to be awarded is determined by dividing the sum of the dividends paid during the vesting period by the average price of the share (based on the Volume Weighted Average Price – VWAP) registered in the 22 business days prior to the Share Award Date. A portion of 30% of the additional shares, corresponding with the value of any dividends not received on the shares actually awarded (the dividend equivalent), are subject to a two-year lock-up period, during which time the shares are subject to a non-transferability restriction.

4.2 Indication of the period of effective implementation of the plan, including reference to any different cycles envisaged

The Plan normally provides for the grant of the right by 31 December 2026.

The vested Performance Shares shall be awarded to Beneficiaries in 2029, this being the year following the end of the vesting period. However, 30% of the shares awarded, including any awarded as dividend equivalents, free of tax and/or social security contributions, shall be subject to a further lock-up period of two years, which will end in 2031. During this period, the Shares are subject to a non-transferability restriction.

4.3 Termination of the plan

The Plan will terminate with the award of the shares following the Annual General Meeting's approval of the financial statements as at 31 December 2028.

4.4 The maximum number of financial instruments, including in the form of options, granted each financial year to named individuals or specific categories

The maximum number of shares which may be awarded under the Plan shall be determined by the Board of Directors during the implementation phase of the Plan itself and will be announced in accordance with Article 84-*bis*, paragraph 5(a) of the Issuers' Regulation or, in any event, in accordance with the statutory and regulatory requirements applicable from time to time.

At the date of publication of this document and taking into account the value of Terna's shares on 26 March 2026, it is estimated that this number cannot exceed 1.21 million of Terna's ordinary shares, this being the maximum number of shares earmarked for use under the Plan, representing 0.06% of the ordinary shares in issue.

4.5 Procedures and provisions regarding implementation of the plan, specifying if the actual award of instruments is subject to the occurrence of certain conditions or the achievement of determinate results, including those that are performance-related; a description of said conditions and results

Award of the Performance Shares is subject to:

- achievement of the specific Performance Objectives described in paragraph 2.2.
- effective continuity of the employment relationship, without any period of notice being in progress or, in any event, notice of termination having been given; Directors must not have resigned from their position nor must this have been terminated (see the further details provided in paragraph 4.8 below).

Without prejudice to the right to claim for any further damages, following award of the shares, the Company reserves the right, within the limitation period envisaged by current legislation and regardless of whether or not the relationship is still in place or has been terminated, to request the Beneficiary to return the monetary amount equivalent to the value of any shares awarded at the award date (under a clawback provision), in any of the following cases:

- fraud or gross misconduct on the part of the beneficiary to the detriment of the Terna Group;
- serious and intentional breaches of the law, the Code of Ethics and Company rules;
- The award of shares on the basis of information that was subsequently revealed to be manifestly incorrect and/or misleading.

4.6 Indication of any restrictions on the availability of the instruments awarded, or of instruments resulting from the exercise of options, specifically in relation to the terms within which it is permitted or prohibited to transfer the instruments to the company itself or to third parties

Of the shares awarded to each Beneficiary at the end of the Performance Period, free of tax and/or social security contributions, 30% are subject to a lock-up period. The shares subject to the lock-up provision may not be transferred and/or sold for a period of 24 months from the Share Award Date. The same lock-up provision applies in the same way to the additional shares awarded to Beneficiaries as dividend equivalents.

4.7 Description of any termination provisions, in relation to awards under the plan, that are triggered by beneficiaries entering into hedging transactions enabling them to circumvent any restrictions on the sale of the financial instruments awarded, including in the form of options, or of financial instruments resulting from the exercise of such options

Beneficiaries are prohibited, at the risk of forfeiting their right to award of the shares, from entering into hedging transactions enabling them to alter or affect the alignment with risk inherent in the terms of the equity-based incentive plans.

4.8 Description of the effects caused by the termination of the employment relationship

Beneficiaries who, at the Share Award Date, are in a continuing employment relationship, without any period of notice being in progress or, in any event, notice of termination having been given, have the right to the award of the shares. Directors must not have resigned from their position nor must this have been terminated. In the event of termination of the relationship prior to the Share Award Date, the Beneficiary will automatically forfeit the right, which will thus be ineffective, and the Beneficiary will not have the right to receive any payment or compensation for any reason from the Company and/or the Participating Company.

Furthermore, in the event of termination of the relationship prior to award of the shares for reasons other than the following:

- dismissal for disciplinary reasons;
- resignation without just cause;
- termination of a directorship for just cause;
- resignation of a director without just cause;

and, therefore, even in the event of termination of the relationship by mutual consent, the right to the award of a portion of the shares shall be maintained (for the Beneficiary or their heirs or successors), based on an assessment of the performance achieved at the date of termination, applying the *pro rata temporis* principle.

4.9 Indication of any other causes of termination of the plan

Except that which has been provided for in the above paragraphs, there are no other causes of termination of the Plan.

4.10 Reasons for a potential provision relating to “redemption”, by the company, of the financial instruments on which the plan is based, introduced in accordance with Article 2357 et seq. of the Italian Civil Code; indication of the Beneficiaries of the redemption, specifying if the redemption is only aimed at certain categories of employee; the impact of the termination of the employment relationship on said redemption

Not applicable.

4.11 Any loan or other facilities to be made available for the purchase of shares, pursuant to Article 2358, paragraph 3 of the Italian Civil Code

No form of loan or facility enabling the purchase of shares has been provided for, in that the shares are to be awarded free of charge.

4.12 Indication of assessments of the expected cost to the company at the grant date, as may be determined on the basis of the terms and conditions previously established, in terms of a total amount and in relation to each instrument in the plan

This amount cannot currently be determined as it shall depend on the value of the shares at the time of the award.

The estimated cost of the Long-term 'Performance Share Incentive Plan for 2026-2030', in the event of achievement of the performances at target and assuming that the price of Terna's Shares remains stable over the period (with respect to a price of € 9.476 registered on 26 March 2026) and is approximately € 7.7 million, for a maximum of 180 beneficiaries.

4.13 Indication of any dilutive effects resulting from the incentive plans

In view of the fact that the shares to be awarded to Beneficiaries under the Plan will be made available through the purchase of treasury shares of the Company (Paragraph 3.4), it is not expected that there will be any dilutive effects on the share capital.

4.14 Any limitations envisaged regarding the exercise of voting rights or the assignment of property rights

The shares awarded shall have the same rights and ranking as the other shares, as no limitations on the exercise of voting rights or on the related property rights have been envisaged.

4.15 If the shares are not traded on a regulated market, all information used in effectively measuring their value

Not applicable, since the shares have been admitted to trading on the screen-based trading system (*xTelematico Azionario*) organised and managed by Borsa Italiana S.p.A..

4.16 – 4.23

Not applicable.

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Table 1, as provided for in paragraph 4.24 of Form 7 of Annex 3A to the Issuers' Regulation, will subsequently be provided in accordance with the procedures established by Article 84-*bis*, paragraph 5(a) of the Regulations for Issuers.

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