



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

*(incorporated with limited liability in the Republic of Italy)*

*as Issuer*

**€2,000,000,000**

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

This Programme is rated by

**Moody's Italia S.r.l. / S&P Global Ratings Europe Limited**

*Arranger*

**Citigroup**

*Dealers*

**BNP PARIBAS**

**Citigroup**

**Crédit Agricole CIB**

**J.P. Morgan**

*Issuing and Paying Agent*

**BNP PARIBAS, Luxembourg Branch**

Information Memorandum dated 30 July 2024

## 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 €2,000,000,000 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 30 July 2024 (the “**Dealer Agreement**”), appointed Citigroup Global Markets Limited as the arranger for the Programme (the “**Arranger**”), appointed BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank and J.P. Morgan SE 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](http://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 (as amended, 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 the Insurance Distribution Directive, 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, as amended.

### **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.

**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time** (the “**SFA**”) – 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 <https://www.terna.it/en/general-archive#Results/2024>) 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, Top 10% Global ESG Score (“**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 Top 5% Global ESG Score in the S&P Sustainability Yearbook in the Electric Utilities Sector (one class 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 30 July 2027.

“**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 30 July 2024.

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## DESCRIPTION OF THE PROGRAMME

<b>Name of the Programme:</b>	TERNA - Rete Elettrica Nazionale Società per Azioni  Euro-Commercial Paper Programme for the issuance of Notes and ESG Notes (the “ <b>Programme</b> ”).
<b>Type of Programme:</b>	Euro-Commercial Paper Programme for the issuance of Notes and ESG Notes.  STEP compliant.
<b>Name of the Issuer:</b>	TERNA - Rete Elettrica Nazionale Società per Azioni
<b>Type of Issuer:</b>	Corporate.
<b>Purpose of the Programme:</b>	The net proceeds from each issue of Notes, including any ESG Notes, will be used by the Issuer for general corporate purposes.
<b>Maximum Amount of the Programme:</b>	The outstanding principal amount of the Notes will not exceed €2,000,000,000 (or its equivalent in other currencies provided hereunder) at any time (the “ <b>Maximum Amount</b> ”). The Maximum Amount may be increased or decreased from time to time in accordance with the Dealer Agreement.
<b>Characteristics and form of the Notes:</b>	<p>The Notes will be in bearer form. Each issue of Notes will initially be in global form (“<b>Global Notes</b>”). Global Notes will be exchangeable for definitive Notes (“<b>Definitive Notes</b>”) 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 (“<b>NGN</b>”), 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>“<b>Common Safekeeper</b>” 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>
<b>Yield basis:</b>	The Notes may be issued at a discount or at a premium and may bear fixed or floating rate interest.



<b>Currencies of issue of the Notes:</b>	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.
<b>Maturity of the Notes:</b>	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.
<b>Minimum Issuance Amount:</b>	See “ <i>Minimum Denomination of Notes</i> ” below.
<b>Minimum denomination of the Notes:</b>	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 less than the higher between £100,000 and €100,000 at the exchange rate as at the relevant issue date.
<b>Status of the Notes:</b>	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).
<b>Governing law that applies to the Notes:</b>	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.
<b>Listing:</b>	The Notes will not be listed on any stock exchange.
<b>Settlement system:</b>	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 “ <b>Relevant Clearing Systems</b> ”) (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 30 July 2024 (the “ <b>Deed of Covenant</b> ”), 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 Italia S.r.l. /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:**

BNP Paribas, Luxembourg Branch

**Arranger:**

Citigroup Global Markets Limited

**Dealers:**

BNP Paribas

Citigroup Global Markets Europe AG

Citigroup Global Markets Limited

Crédit Agricole Corporate and Investment Bank

J.P. Morgan SE

**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](mailto: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, Top 10% Global ESG Score (“**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 Top 5% Global ESG Score in the S&P Sustainability Yearbook in the Electric Utilities Sector (one class 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 30 July 2027.

“**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 30 July 2024.

**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:**

Deloitte & Touche S.p.A., whose registered office is at Via Tortona 25, 20144 Milan, Italy, audited the consolidated financial statements of the Terna Group for the financial years ended 31 December 2023 and 31 December 2022.

## DESCRIPTION OF THE ISSUER

<b>Legal name:</b>	TERNA – Rete Elettrica Nazionale Società per Azioni (“Terna” or the “Issuer”).
<b>Legal form/status:</b>	The Issuer is a joint-stock company ( <i>società per azioni</i> ) under the laws of the Republic of Italy.
<b>Date of incorporation/establishment:</b>	31 May 1999.
<b>Registered office or equivalent (legal address):</b>	The registered address of Terna is Viale Egidio Galbani 70, 00156 Rome, Italy.
<b>Registration number, place of registration:</b>	Terna is registered in the Register of Companies of Rome with registration number 05779661007.
<b>Issuer’s mission:</b>	<p>Terna is the Italian electricity transmission company responsible for the 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 the carrying out of development projects for its portion of Italy’s National Transmission Grid as well as management of the 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&amp;M, Energy Efficiency, TLC), initiatives abroad (EPC, Technical Assistance, BOOT, Concessions), Interconnectors, energy transformer production (Tamini Group, as defined below) and the manufacture of terrestrial cables (Brugg Kabel Group, as defined below).</p>
<b>Brief description of current activities:</b>	<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 the 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 the Environment (Autorità di Regolazione per Energia Reti e Ambiente) (“ARERA”) and have similar characteristics, in terms of the remuneration model and the method for setting the related tariffs.

### *Non-Regulated segment*

The Non-Regulated segment includes business initiatives, above all relating to equipment activities, which includes the operating activities of the Tamini Group, relating essentially to the construction and commercialisation of electrical machinery, above all power transformers, and the Brugg Kabel Group, which operates in the terrestrial cable sector, specialising in the design, development, construction, installation and maintenance of electrical cables of all voltages and accessories for high-voltage cables. The Non-Regulated segment includes also initiatives linked to the provision of services to Third Parties in the areas of Energy Solutions, consisting of the development of technical solutions and the supply of innovative services, including EPC (Engineering, Procurement and Construction) services, the operation and maintenance of high-voltage and very high-voltage infrastructure, and the supply of energy efficiency services (broadly attributable to the subsidiary, Avvenia The Energy Innovator S.r.l.) and PV Services (EPC, revamping, repowering and O&M) for Third Parties (broadly attributable to the subsidiary LT). This segment then includes Connectivity (mainly housing services for fibre networks and dark IRU contracts for fibre). In the end, the Non-Regulated segment includes the activities carried out in relation to the private interconnectors launched by Law 99/2009, legislation that assigned Terna responsibility for selecting undertakings, on the basis of public tenders, willing to finance specific cross-border 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.

### *International segment*

The International segment includes the activities deriving from opportunities for international expansion, which the Terna Group aims to exploit by leveraging its core competencies developed in Italy as a TSO, 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 subsidiary Terna Plus S.r.l., the Peruvian company, Terna 4 Chacas S.A.C., a charitable project, the Chilean company, Terna Chile S.p.A. (hereinafter referred to as Terna Chile) and the US subsidiary, Terna USA LLC. The results of the Brazilian company, Linha Verde I S.A., and of the Peruvian company, Terna Peru S.A.C., have been reclassified to “Profit/(Loss) from discontinued operations and assets held for sale”.

### **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, 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) is Terna's main shareholder, holding 29.851 per cent. of the share capital.

**Listing of the shares of the Issuer:**

Terna's shares are listed on the Euronext Milan market organized and managed by 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
Igor De Biasio	Chairman, Independent (as per the TUF and the Corporate Governance Code) Non-Executive Director
Giuseppina Di Foggia	Chief Executive Officer, General Manager, Non-Independent Executive Director
Karina Audrey Litvack	Independent (as per the TUF and the Corporate Governance Code) Non-Executive Director
Anna Chiara Svelto	Independent (as per the TUF and the Corporate Governance Code) Non-Executive Director
Qinjing Shen	Non-Independent Non-Executive Director
Francesco Renato Mele	Non-Independent Non-Executive Director
Regina Corradini D'Arienzo	Non-Independent Non-Executive Director
Angelica Krystle Donati	Independent (as per the TUF and the Corporate Governance Code) Non-Executive Director
Marco Giorgino	Independent (as per the TUF and the Corporate Governance Code) Non-Executive Director

Enrico Tommaso Cucchiani	Independent (as per the TUF and the Corporate Governance Code) Non-Executive Director
Gian Luca Gregori	Independent (as per the TUF and the Corporate Governance Code) Non-Executive Director
Jean-Michel Aubertin	Independent (as per the TUF and the Corporate Governance Code) Non-Executive Director
Simona Signoracci	Independent (as per the TUF and the Corporate Governance Code) Non-Executive Director

**Board of Statutory Auditors:**

Name	Office
Mario Matteo Busso	Chairman
Antonella Tomei	Standing Auditor
Lorenzo Pozza	Standing Auditor
Barbara Zanardi	Alternate Auditor
Lucrezia Iuliano	Alternate Auditor
Antonello Lillo	Alternate Auditor

Terna's Board of Statutory Auditors is responsible for, *inter alia*, monitoring compliance with the law and with Terna's By-laws and the principles of correct administration in performing 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 and of internal reviews and risk management, the statutory auditing 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 Italia S.r.l.; and (ii) S&P Global Ratings Europe Limited.

**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.

*Organisational structure*

Terna is the parent company of the Terna Group.

The structure of the Terna Group includes, as of 17 May 2024, the following companies:

*Subsidiaries*

- Terna Rete Italia S.p.A. (hereinafter referred to as **TRI S.p.A.**);
- Rete S.r.l. (hereinafter referred to as **Rete S.r.l.**);
- Terna Forward S.r.l. (hereinafter referred to as **Terna Forward**);
- Terna Plus S.r.l. (hereinafter referred to as **Terna Plus**), which includes the following subsidiaries:
  - Terna Chile;
  - SPE Transmissora de energia Linha Verde I S.A. (hereinafter referred to as **Linha Verde I**);
  - Terna Peru S.A.C. (hereinafter referred to as **Terna Peru**);
  - Terna 4 Chacas S.A.C. (hereinafter referred to as **Terna 4 Chacas**); and
  - Terna USA L.L.C. (hereinafter referred to as **Terna USA**);

- Terna Energy Solutions S.r.l. (hereinafter referred to as **Terna Energy Solutions**), which includes the following subsidiaries:
  - LT S.r.l. (hereinafter referred to as **LT**), which includes the following subsidiary:
    - Halfbridge Automation S.r.l. (hereinafter referred to as **Halfbridge Automation**, together with LT, hereinafter referred to as the **LT Group**);
  - Avvenia the Energy Innovator S.r.l. (hereinafter referred to as **ATEI**);
  - Tamini Trasformatori S.r.l. (hereinafter referred to as **Tamini**), which includes the following subsidiaries:
    - Tamini Transformers USA L.L.C. (hereinafter referred to as **Tamini Transformers USA**); and
    - Tamini Trasformatori India Private Limited (hereinafter referred to as **Tamini Asia**, together with Tamini and Tamini Transformers USA hereinafter referred to as **Tamini Group**);
  - Brugg Kabel Services AG, which includes the following subsidiaries:
    - Brugg Kabel Manufacturing AG, which includes the following subsidiary:
    - Brugg Cables Italia S.r.l.;
    - Brugg Kabel AG, which includes the following subsidiaries (together with the above Brugg companies hereinafter referred to as **Brugg Kabel** or the **Brugg Kabel Group**);
    - Brugg Kabel GmbH (hereinafter referred to as **Brugg Germany**);
    - Brugg Cables (Shanghai) Co., Ltd. (hereinafter referred to as **Brugg Shanghai**), which includes the following subsidiary:
    - Brugg Cables (Suzhou) Co., Ltd. (hereinafter referred to as **Brugg Suzhou**);

- Brugg Cables (India) Pvt., Ltd. (hereinafter referred to as **Brugg India**);
  - Brugg Cables Inc. (USA) (hereinafter referred to as **Brugg USA**);
  - Brugg Cables Company Saudi Arabia (KSA) (hereinafter referred to as **Brugg KSA**);
  - Brugg Cables Middle East (ME) Contracting LLC (hereinafter referred to as **Brugg ME**);
- Terna Interconnector S.r.l. (hereinafter referred to as **Terna Interconnector**);
- Terna Crna Gora d.o.o. (hereinafter referred to as **Terna Crna Gora**); and
- Electricity Service Provider Entity Region Italia - Coordination Center S.r.l. or ESPERIA-CC S.r.l. (hereinafter referred to as **ESPERIA-CC**).

*Joint controlled*

- ELMED Etudes S.a.r.l. (hereinafter referred to as **Elmed**);
- SOUTHEAST ELECTRICITY NETWORK COORDINATION CENTER or SEleNe CC S.A. (hereinafter referred to as **SEleNe**);
- BMT Energy Transmission Development LCC (hereinafter referred to as **BMT**); and
- WESII S.R.L. (hereinafter referred to as **WESII**).

*Affiliates*

- CESI S.p.A. (hereinafter referred to as **CESI**);
- CGES A.D. (hereinafter referred to as **CGES**);
- CORESO S.A. (hereinafter referred to as **CORESO**); and
- Equigy B.V.

**Risks associated with Terna Group's transactions targeted by Sanctions.**

In 2014, Terna Group acquired Tamini Group, being a group of companies producing transformers (and, in certain cases, reactors, spare parts and related maintenance and/or repair services) for

installation mainly in steel manufacturing plants and electric utilities. Several clients of Tamini Group were located in Belarus, Cuba, Iraq, Libya, Russia, China, Ukraine, Democratic Republic of Congo, Egypt, Iran, Tunisia, Venezuela and Zimbabwe.

Upon completion of such acquisition, Terna Group started an in-depth sanctions-screening exercise of the transactions performed by the Tamini Group by reference to the trade, economic and financial sanctions laws, regulations or orders, embargoes or restrictions, administered, enacted or enforced from time to time 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) the United Kingdom (including, without limitation, His Majesty's Treasury); or (f) the respective governmental institutions, legislative and regulatory authorities of any of the foregoing (from letters (a) to (f), the "**Authorities**") (the "**Sanctions**").

In this context, *inter alia*, the Processes (as defined below) have considered the transactions performed by the Tamini Group involving the supply of transformers and, in certain cases, reactors, spare parts and related maintenance and/or repair services, involving many foreign countries subject to Sanctions currently, in particular, Iraq, Serbia, Zimbabwe and, previously, also China, Ukraine, Democratic Republic of Congo, Iran and Venezuela.

In this respect, the amount of revenues generated by Tamini Group and derived from the above-mentioned transactions, for the first quarter of 2024, was less than 0.5 per cent. of the consolidated revenues of Terna Group.

Such screening activity was aimed at (A) gradually ending any transactions with counterparties resident or located in any country or territory that is subject to comprehensive country-wide or territory-wide Sanctions which create a general, export, import, financial or investment embargo (being, as of the date hereof, Cuba, the Crimea region of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic, the non-government controlled areas of Zaporizhzhia and Kherson, Iran, North Korea and Syria, jointly, the "**Embargoed Jurisdictions**") and/or (B) monitoring any other different and/or new activities and different and/or new contracts.

As of the date hereof, to the best of the Issuer's knowledge, the Tamini Group has no exposure *vis-à-vis* counterparties resident or located in Embargoed Jurisdictions.

The same approach has been adopted vis-à-vis Brugg Kabel AG further to its acquisition in February 2020. In this regard, the process identified that transactions had been performed by the Brugg Kabel Group involving the supply of cables, cable accessories and services involving many foreign countries subject to Sanctions (currently in particular Iraq, China and, in the past, also Lebanon, Turkey, Libya, Belarus). In this respect the amount of revenues generated by the Brugg Kabel Group and derived from the above-mentioned transactions, for the first quarter of 2024, was less than 0.5 per cent. of the consolidated revenues of the Terna Group. As a consequence of such processes and as of the date hereof, and to the best of Issuer's knowledge, the Brugg

Kabel Group has no exposure vis-à-vis counterparties resident or located in Embargoed Jurisdictions.

In light of the above, considering the international business relationships involving the Tamini Group and the Brugg Kabel Group as well as the ordinary conduct of business of the Issuer in a national and/or global market, Terna Group's activities may involve (on a marginal basis) – directly or indirectly – countries subject to potential sectorial sanctions, provided that, in any case, also considering the complex legislation in continuous evolution and not always consistent across jurisdictions (such as (i) the Council Regulation (CE) 2271/1996, as amended from time to time, and/or any associated and applicable national law, instrument and/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) to the extent applicable, 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 the Tamini Group and the Brugg Kabel Group, cannot exclude that the related transactions and activities will be determined to be prohibited by Sanctions.

Finally, in response to the Russia-Ukraine crisis, *inter alia*, the European Union, the United Kingdom and the United States have already enacted and implemented a wide ranging set of sanctions and measures and could enact and implement further sanctions targeting, *inter alia*, the banking and financial and energy sector in Russia by restricting the supply of certain items and services from/to Russia and Belarus and certain forms of financing or other banking transactions. Further sanctions imposed on Russia and/or Belarus, Russian and/or Belarussian citizens and/or Russian and/or Belarussian companies by the international community, such as measures restricting dealings with Russian and/or Belarussian counterparties, among others, could adversely impact Terna Group.

Following the beginning of the Russia-Ukraine conflict and the worsening of the sanctions programs against these countries, Terna Group has ended all the transactions and activities with counterparties located in Russia and Belarus and is continuing to closely monitor potential transactions with counterparties located in Russia and Belarus or that might involve Russian and/or Belarussian counterparties.

Furthermore, an escalation of the international crisis, resulting in a tightening or expanding of Sanctions, could entail a significant disruption of energy supply, financial services and trade flows globally, which could have a material adverse effect on the Terna Group's business, financial conditions, results of operations and prospects.

In light of the above circumstances, Terna Group carefully evaluates, on a case-by-case basis, the adoption of adequate measures to minimize its exposure to any Sanctions risk which

may affect its business operations, but it cannot be excluded that certain transactions performed by Terna Group are determined to be prohibited by applicable laws or regulations and that the Terna Group may be subject to penalties and/or Sanctions, in which case the Terna Group's reputation, financial condition and future business prospects could be adversely affected.

The Terna Group is also aware of initiatives by certain U.S. States and U.S. institutional investors, such as pension funds, to adopt laws, regulations or policies requiring divestment from, or reporting of interests in, companies that do business with countries designated as States sponsoring terrorism. If any of the Terna Group's transactions and activities are determined to fall within the scope of these laws, regulations or policies, resulting sales of the Terna Group's securities could have an adverse effect on the price of the Terna Group's securities. Furthermore, investors in the Terna Group's securities could incur reputational risk or other risks as the result of the Terna Group's dealings in or with countries or persons that are the subject of Sanctions.

Changes in the above-mentioned 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.

With regard to the Terna Group's international transactions, Terna has implemented a control system, managed by its Third Parties Due Diligence Unit, that is, *inter alia*, dedicated to monitoring its counterparties and improving its corporate security (including with regard to Sanctions). Terna has also introduced additional management tools and prevention measures, and monitors, on a periodic basis, the effectiveness of its strategies and controls in this regard. In particular, Terna Group: (i) starting from May 2020 has developed and last updated on 15 April 2024, the internal compliance guidelines (the "**Trade Compliance Guidelines**") and a set of operating guidelines defining sanctions compliance procedures and (ii) is carrying out due diligence activities on a periodic basis conducted directly by the Third Parties Due Diligence Unit or by Terna's subsidiaries, under the supervision and/or periodic internal audits of the Third Parties Due Diligence Unit, in order to verify and detect whether any transaction perceived by Terna as being of higher risk could violate Sanctions, if applicable, thereby minimising the risk that any such violation will occur in connection with future transactions.

Moreover, in order to address any potential risk arising from certain transactions, Terna has also hired several external consultants to enhance its due diligence processes (the "**Processes**") on such transactions. The Processes have been, are and will be, carried out from a worldwide regulatory perspective, with particular focus from a European Union, United States, United Kingdom and United Nations perspective, in order to evaluate such transactions' compliance with Sanctions. The Processes constantly provide Terna Group with updates on the worldwide regulatory Sanctions-related framework and with a view to determining whether or not any breach of Sanctions may result, also taking into consideration any carve-outs and exceptions applicable to Terna Group.

The activities of the Business Reputation Intelligence Department and of the Third Parties Due Diligence Unit consist of:

- identifying critical areas of potential reputational risks;
- defining monitoring and control procedures (i.e. in order to establish appropriate tools for preventing misconduct);
- periodically monitoring the efficiency of the compliance measures in place;
- coordinating and periodically monitoring the Due Diligence activities when carried out by subsidiaries of Terna, also by means of supervision activities and/or internal audits;
- implementing protocols with Institutions in order to prevent attempts of criminal infiltration, or the improper transmission of data, information and news about contracting and subcontracting firms; and
- the implementation of the Trade Compliance Guidelines, and the conducting of due diligence procedures, on a structured and periodic basis, on any transaction from a risk-based perspective.

## 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:**

30 July 2024, London

Name:

Title:



## 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](http://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 October 2023 and adopted by the ACI – FMA 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;

- (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 Insurance Distribution Directive, 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

Each Dealer has acknowledged (and each further Dealer appointed under the Programme will be required to acknowledge) that 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 "**Financial Instruments and Exchange Act**"). Accordingly, any of the Notes shall not be offered or sold directly or indirectly, 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 reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act 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 of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time) (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## 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 REGULATIONS 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: [●]

Issue Date: [●]

Maturity Date<sup>1</sup>: [●]

Nominal Amount: [●]

Specified Currency: [●]

*(words and figures if a Sterling denominated Note)*

Floating Rate Option:

[ ] month EUR-EURIBOR<sup>2</sup>/specify other

Interest Payment Date(s):

[●]

Compounding/Averaging:

Applicable / Not Applicable<sup>3</sup>

[Compounding<sup>4</sup>:

[Compounding with Lookback / Compounding with Observation Period Shift / Compounding with Lockout]/[Not Applicable]]

[Averaging<sup>5</sup>:

[Averaging with Lookback / Averaging with Observation Period Shift / Averaging with Lockout]/[Not Applicable]]

[Lookback<sup>6</sup>:

[5] Applicable Business Days<sup>7</sup>]

<sup>1</sup> Not to be more than [364] days from (and including) the Issue Date.

<sup>2</sup> This form only contemplates selection of EUR-EURIBOR as a Floating Rate Option as specified in the 2021 ISDA Definitions Floating Rate Matrix. In addition this standard form assumes that all the default provisions applicable to the Floating Rate Option will be those specified in the Floating Rate Matrix aside from where otherwise clearly specified. If this is not the case additional drafting will be required.

<sup>3</sup> Include "Applicable" for any note which is a floating rate interest bearing note where the Floating Rate Option is GBP-SONIA, USD-SOFR or EUR-EuroSTR otherwise include Not Applicable.

<sup>4</sup> This line can be deleted if Compounding/Averaging is specified as Not Applicable.

<sup>5</sup> This line can be deleted if Compounding/Averaging is specified as Not Applicable.

<sup>6</sup> Delete this field if Compounding with Lookback or Averaging with Lookback is not selected or Compounding/Averaging is specified as Not Applicable.

<sup>7</sup> This field should be completed and the parties may wish to refer to the Compounding/Averaging Matrix.

[Observation Period Shift <sup>8</sup> : Observation Period Shift Additional Business Days:	[5] Observation Period Shift Business Days <sup>9</sup>  [ ] / [Not Applicable]]
[Lockout <sup>10</sup> : Lockout Period Business Days <sup>12</sup>	[5] Lockout Period Business Days <sup>11</sup>  [ ] / [Not Applicable]]
Fixed Interest Rate <sup>13</sup> :	[●]% per annum
Margin <sup>14</sup> :	[●]%
Calculation Agent <sup>15</sup> :	[●]
Day Count Fraction <sup>16</sup> :	[●]
[New Global Note Form <sup>17</sup> : [●]]	[New Global Note intended to be held in a manner which would allow Eurosystem eligibility <sup>18</sup> :  [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]

<sup>8</sup> Delete this field and the "Observation Period Shift Additional Business Days" field if Compounding with Observation Period Shift or Averaging with Observation Period Shift is not selected or Compounding/Averaging is specified as Not Applicable.

<sup>9</sup> This field should be completed and the parties may wish to refer to the Compounding/Averaging Matrix.

<sup>10</sup> Delete this field and "Lockout Period Business Days" field if Compounding with Lockout or Averaging with Lockout is not selected or Compounding/Averaging is specified as Not Applicable.

<sup>11</sup> This field should be completed and the parties may wish to refer to the Compounding/Averaging Matrix.

<sup>12</sup> This field is to specify the financial centre(s) for the purposes of the Lockout Business Days. If none are specified and Not Applicable is selected, the Lockout Business Days will be the Applicable Business Days (i.e. the rate business days).

<sup>13</sup> Complete for fixed rate interest bearing Notes only.

<sup>14</sup> Complete for floating rate interest bearing Notes only.

<sup>15</sup> Complete for all floating rate interest bearing Notes and for fixed rate interest Notes denominated in Renminbi only.

<sup>16</sup> Complete/Delete as appropriate.

<sup>17</sup> Insert "Applicable" or "Not Applicable" as relevant.

<sup>18</sup> Insert "Not Applicable", "Yes" or "No" as relevant.

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 1,851,226,767.
Resolution approving the issuance of the Notes:	19 March 2024 registered with the Companies' Register of Rome on 22 March 2024.
Date of the Information Memorandum:	30 July 2024 (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 30 July 2024 (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 BNP Paribas, Luxembourg Branch (the "**Issuing and Paying Agent**") at 60, avenue J.F. Kennedy, L-1855 Luxembourg, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made (upon presentation and surrender (as the case may be) of this Global Note) to the bearer through Euroclear Bank SA/NV and Clearstream Banking S.A. or any other relevant clearing system or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 8, 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 depositaries 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 (T2) System, 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(d) 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 30 July 2024 (as amended, re-stated or supplemented as of the Issue Date) 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 EUR-EURIBOR as the Floating Rate Option 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 will 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.

As used in this Global Note:

“**EURIBOR**” shall be equal to EUR-EURIBOR determined in accordance with the 2021 ISDA Definitions as if:

- (i) the Reset Date was the first day of the relevant Interest Period; and
- (ii) the Designated Maturity was the number of months specified on the face of this Global Note,

*provided that* where a Temporary Non-Publication Trigger occurs in respect of EUR-EURIBOR, the Temporary Non-Publication Fallback for EUR-EURIBOR set out in the Floating Rate Matrix shall be amended such that the reference to "Calculation Agent Alternative Rate Determination" shall be replaced by "Temporary Non-Publication Fallback - Previous Day's Rate"; and

**"EURIBOR Interest Determination Date"** means the Fixing Day;

- (a) in the case of a Global Note which specifies any other Floating Rate Option on its face, the Rate of Interest will be the aggregate of such Floating Rate Option and the Margin (if any) above or below such Floating Rate Option. Interest will 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;
- (b) the Calculation Agent will, as soon as practicable 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) or (b) (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, if the Floating Rate Option is EUR-EURIBOR, by the actual number of days in the Interest Period divided by 360 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;
- (c) 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
- (d) 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*). Any such notice shall be deemed to have been given on the date of such delivery or publication.

As used in this Global Note:

**"2021 ISDA Definitions"** means the version of the 2021 ISDA Interest Rate Derivative Definitions, including each Matrix (and any successor matrix), as published by the International Swaps and Derivatives Association, Inc. (or any successor) on its website ([www.isda.org](http://www.isda.org)) as at the Issue Date provided that (i) references to a "Confirmation" in the 2021 ISDA Definitions should instead be read as references to this Global Note; (ii) references to a "Calculation Period" in the 2021 ISDA Definitions should instead be read as references to an "Interest Period" and (iii) the "Administrator/Benchmark Event" in the 2021 ISDA Definitions shall be disappplied.

Capitalised terms used but not otherwise defined in this Global Note shall bear the meaning ascribed to them in the 2021 ISDA Definitions.

13. 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, as amended, 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. This Global Note shall not be validly issued unless manually authenticated by BNP PARIBAS, Luxembourg Branch as Issuing and Paying Agent.
16. 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.
17. 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.

18. 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 18 does not affect any other method of service allowed by law.

19. 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.
20. 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.

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

Dated as of the issue date

By: \_\_\_\_\_  
(*Authorised Signatory*)

**AUTHENTICATED** by  
**BNP PARIBAS, Luxembourg Branch**  
acting as Issuing and Paying Agent  
without recourse, warranty or  
liability and for authentication  
purposes only

By: \_\_\_\_\_  
(*Authorised Signatory*)

[**EFFECTUATED** by

**COMMON SAFEKEEPER**

without recourse, warranty or liability

By: \_\_\_\_\_  
(*Authorised Signatory*)]<sup>19</sup>

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<sup>19</sup> 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 INTEREST<sup>20</sup>**

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

**FIXED RATE INTEREST PAYMENTS**

<b>Date of Payment</b>	<b>Period From</b>	<b>Period To</b>	<b>Amount of Interest Paid</b>	<b>Notation on behalf of Issuing and Paying Agent</b>

**FLOATING RATE INTEREST PAYMENTS**

<b>Date of Payment</b>	<b>Period From</b>	<b>Period To</b>	<b>Interest Rate per annum</b>	<b>Amount of Interest Paid</b>	<b>Notation of behalf of Issuing and Paying Agent</b>

<sup>20</sup> 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: [●]

Issue Date: [●]

Maturity Date<sup>21</sup>: [●]

Nominal Amount: [●]

Specified Currency: [●]

*(words and figures if a Sterling denominated Note)*

Floating Rate Option:

[ ] month EUR-EURIBOR<sup>22</sup>/*specify other*

Interest Payment Date(s):

[●]

Compounding/Averaging:

Applicable / Not Applicable<sup>23</sup>

[Compounding<sup>24</sup>:

[Compounding with Lookback / Compounding with Observation Period Shift / Compounding with Lockout]/[Not Applicable]]

[Averaging<sup>25</sup>:

[Averaging with Lookback / Averaging with Observation Period Shift / Averaging with Lockout]/[Not Applicable]]

[Lookback<sup>26</sup>:

[5] Applicable Business Days<sup>27</sup>]

[Observation Period Shift<sup>28</sup>:

[5] Observation Period Shift Business Days<sup>29</sup>

Observation Period  
Shift Additional  
Business Days:

[ ] / [Not Applicable]]

[Lockout<sup>30</sup>:

[5] Lockout Period Business Days<sup>31</sup>

Lockout Period  
Business Days<sup>32</sup>

[ ] / [Not Applicable]]

Fixed Interest Rate<sup>33</sup>:

[●]% per annum

Margin<sup>34</sup>:

[●]%

<sup>21</sup> Not to be more than [364] days from (and including) the Issue Date.

<sup>22</sup> This form only contemplates selection of EUR-EURIBOR as a Floating Rate Option as specified in the 2021 ISDA Definitions Floating Rate Matrix. In addition this standard form assumes that all the default provisions applicable to the Floating Rate Option will be those specified in the Floating Rate Matrix aside from where otherwise clearly specified. If this is not the case additional drafting will be required.

<sup>23</sup> Include "Applicable" for any note which is a floating rate interest bearing note where the Floating Rate Option is GBP-SONIA, USD-SOFR or EUR-EuroSTR otherwise include Not Applicable.

<sup>24</sup> This line can be deleted if Compounding/Averaging is specified as Not Applicable.

<sup>25</sup> This line can be deleted if Compounding/Averaging is specified as Not Applicable.

<sup>26</sup> Delete this field if Compounding with Lookback or Averaging with Lookback is not selected or Compounding/Averaging is specified as Not Applicable.

<sup>27</sup> This field should be completed and the parties may wish to refer to the Compounding/Averaging Matrix.

<sup>28</sup> Delete this field and the "Observation Period Shift Additional Business Days" field if Compounding with Observation Period Shift or Averaging with Observation Period Shift is not selected or Compounding/Averaging is specified as Not Applicable.

<sup>29</sup> This field should be completed and the parties may wish to refer to the Compounding/Averaging Matrix.

<sup>30</sup> Delete this field and "Lockout Period Business Days" field if Compounding with Lockout or Averaging with Lockout is not selected or Compounding/Averaging is specified as Not Applicable.

<sup>31</sup> This field should be completed and the parties may wish to refer to the Compounding/Averaging Matrix.

<sup>32</sup> This field is to specify the financial centre(s) for the purposes of the Lockout Business Days. If none are specified and Not Applicable is selected, the Lockout Business Days will be the Applicable Business Days (i.e. the rate business days).

<sup>33</sup> Complete for fixed rate interest bearing Notes only.

<sup>34</sup> Complete for floating rate interest bearing Notes only.

Calculation Agent <sup>35</sup> :	[●]
Day Count Fraction <sup>36</sup> :	[●]
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 1,851,226,767.
Resolution approving the issuance of the Notes:	19 March 2024 registered with the Companies' Register of Rome on 22 March 2024.
Date of the Information Memorandum:	30 July 2024 (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 30 July 2024 (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 BNP Paribas, Luxembourg Branch (the “**Issuing and Paying Agent**”) at 60, avenue J.F. Kennedy, L-1855 Luxembourg, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made (upon presentation and surrender (as the case may be) 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

<sup>35</sup> Complete for all floating rate interest bearing Notes and for fixed rate interest Notes denominated in Renminbi only.

<sup>36</sup> Complete/Delete as appropriate.

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 (T2) System, 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(d) 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 1 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 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 EUR-EURIBOR as the Floating Rate Option 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 will 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.

As used in this Note:

“**EURIBOR**” shall be equal to EUR-EURIBOR determined in accordance with the 2021 ISDA Definitions as if:

- (i) the Reset Date was the first day of the relevant Interest Period; and
- (ii) the Designated Maturity was the number of months specified on the face of this Note,

*provided that* where a Temporary Non-Publication Trigger occurs in respect of EUR-EURIBOR, the Temporary Non-Publication Fallback for EUR-EURIBOR set out in the Floating Rate Matrix shall be amended such that the reference to "Calculation Agent Alternative Rate Determination" shall be replaced by "Temporary Non-Publication Fallback - Previous Day's Rate"; and

“**EURIBOR Interest Determination Date**” means the Fixing Day;

- (a) in the case of a Note which specifies any other Floating Rate Option on its face, the Rate of Interest will be the aggregate of such Floating Rate Option and the Margin (if any) above or below such Floating Rate Option. Interest will 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;
- (b) the Calculation Agent will, as soon as practicable on each EURIBOR Interest Determination Date 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) or (b) (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, if the Floating Rate Option is EUR-EURIBOR, by the actual number of days in the Interest Period divided by 360 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;
- (c) 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
- (d) 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*). Any such notice shall be deemed to have been given on the date of such delivery or publication.

As used in this Note:

“**2021 ISDA Definitions**” means the version of the 2021 ISDA Interest Rate Derivative Definitions, including each Matrix (and any successor matrix), as published by the International Swaps and Derivatives Association, Inc. (or any successor) on its website ([www.isda.org](http://www.isda.org)) as at the Issue Date *provided that* (i) references to a "Confirmation" in the 2021 ISDA Definitions should instead be read as references to this Note; (ii) references to a "Calculation Period" in the 2021 ISDA Definitions should instead be read as references to an "Interest Period" and (iii) the "Administrator/Benchmark Event" in the 2021 ISDA Definitions shall be disappplied.

Capitalised terms used but not otherwise defined in this Note shall bear the meaning ascribed to them in the 2021 ISDA Definitions.

10. 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, as amended, 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. This Note shall not be validly issued unless manually authenticated by BNP Paribas, Luxembourg Branch as Issuing and Paying Agent.
13. 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.

14. 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 14 does not affect any other method of service allowed by law.

15. 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.
16. 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 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 Note.

Dated as of the issue date and signed on behalf of:

**TERNA - RETE ELETTRICA NAZIONALE SOCIETÀ PER AZIONI**

By: \_\_\_\_\_  
(*Authorised Signatory*)

**AUTHENTICATED** by

**BNP PARIBAS, Luxembourg Branch**

acting as Issuing and Paying Agent

without recourse, warranty or liability and for authentication purposes only

By: \_\_\_\_\_  
(*Authorised Signatory*)

**SCHEDULE 1**

**PAYMENTS OF INTEREST**

**FIXED RATE INTEREST PAYMENTS**

<b>Date of Payment</b>	<b>Payment From</b>	<b>Payment to</b>	<b>Amount Paid</b>	<b>Notation on behalf of Issuing and Paying Agent</b>

**FLOATING RATE INTEREST PAYMENTS**

<b>Date of Payment</b>	<b>Period From</b>	<b>Period To</b>	<b>Interest Rate per annum</b>	<b>Amount of Interest Paid</b>	<b>Notation of behalf of Issuing and Paying Agent</b>

**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.

## ITALIAN TAXATION

The following is a summary of certain Italian tax consequences of the purchase, ownership and disposition of the Notes. It is an overview only and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

The summary is based on Italian tax laws and practice as in force as at the date of this Information Memorandum, which are subject to change, potentially with retrospective effect.

Prospective investors in the Notes should consult their own tax advisers as to the Italian and other tax consequences prior to the purchase, ownership and disposal of the Notes.

### Tax changes

Law No. 111 of 9 August 2023 published in the Official Gazette No. 189 of 14 August 2023 (“**Law 111**”), delegates power to the Italian Government to enact, within twenty-four months from its publication, one or more legislative decrees implementing the reform of the Italian tax system (the “**Tax Reform**”).

According to Law 111, the Tax Reform will significantly change the taxation of financial incomes and capital gains and introduce various amendments in the Italian tax system at different levels. The precise nature, extent, and impact of these amendments cannot be quantified or foreseen with certainty at this stage.

The information provided in this Information Memorandum may not reflect the future tax landscape accurately.

### Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended and supplemented, (**Decree 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes issued (hereinafter collectively referred to as **Interest**), *inter alia*, by Italian listed companies. The provisions of Decree 239 only apply to Notes issued by the Issuer which qualify as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented (**Decree 917**). Pursuant to Article 44 of Decree 917, for securities to qualify as *titoli similari alle obbligazioni* (securities similar to bonds), they must (i) incorporate an unconditional obligation to pay at maturity an amount not less than that therein indicated, with or without the payment of periodic interest, and (ii) attribute to the holders no direct or indirect right to control or participate in the management of the Issuer or to the business in connection to which the securities were issued, nor to control the same.

#### *Italian resident Noteholders*

Where an Italian resident Noteholder is: (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito* regime - see under “*Capital gains tax*” below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, Interest relating to the Notes, is subject to a withholding tax, referred to as “*imposta sostitutiva*”, levied at the rate of 26 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the

Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law, as amended and supplemented from time to time.

Where an Italian resident Noteholder is a company or similar commercial entity, a commercial partnership, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary Interest from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (**IRES**) (and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Where an Italian resident Noteholder is an individual engaged in an entrepreneurial activity to which the Notes are connected, Interest relating to the Notes is subject to *imposta sostitutiva* and will be included in its relevant income tax return. As a consequence, such Interest will be subject to the ordinary income tax and the *imposta sostitutiva* may be recovered as a deduction from the income tax due.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into Law No. 410 of 23 November 2001 (**Decree 351**), Article 32 of Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, Italian real estate investment funds created under Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate SICAFs (the **Real Estate SICAFs**) are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the real estate investment fund or the Real Estate SICAF provided that the fund or the Real Estate Fund is the beneficial owner of the payments under the Notes and the Notes are deposited with an authorised intermediary. If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an Italian investment company with fixed share capital), other than a Real Estate SICAF, or a SICAV (an investment company with variable capital) established in Italy (together, the **Fund**) and either (i) the Fund or (ii) its manager is subject to the supervision of a regulatory authority, and the relevant Notes are held by an authorised intermediary, as clarified by the Italian tax authorities through Circular No. 11/E of 28 March 2012, Interest accrued during the holding period on such Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005 – the **Pension Fund**) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, Interest relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law, as amended and supplemented from time to time.

Pursuant to Decree 239, the *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so-called "**SIMs**"), fiduciary companies, *società di gestione del risparmio* ("**SGRsG**"), stockbrokers and other qualified entities, identified by a decree of the Ministry of Finance, which are resident in Italy ("**Intermediaries**" and each an "**Intermediary**") or by permanent establishments in Italy of banks or intermediaries resident outside Italy or by organizations or companies non-resident in Italy, acting through a system of centralized administration of securities and directly connected with the Department of Revenue of the Ministry of Finance (which includes *Euroclear* and *Clearstream*) having appointed an Italian representative for the purposes of Decree 239. For the purposes of applying *imposta sostitutiva*, Intermediaries or permanent establishments in Italy of foreign intermediaries are required to act in connection with the collection of Interest or, in the transfer or disposal of the Notes, including in their capacity as transferees. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change in ownership of the relevant Notes or in a change in the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying Interest to a Noteholder or, absent that, directly by the Issuer paying that Interest.

#### *Non-Italian resident Noteholders*

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either: (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended by future decree issued pursuant to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the **White List**); or (b) an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or (d) an institutional investor which is resident in a country included in the White List, even if it does not possess the status of taxpayer in its own country of residence and provided that it timely files with the relevant depository an appropriate self-declaration confirming its status of institutional investor.

In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of payments of Interest and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance, and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001.

Failure of a non-Italian resident Noteholder to comply in due time with the procedures set forth in Decree 239 and in the relevant implementing rules will result in the application of *imposta sostitutiva* on Interests payments to such non resident Noteholder.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty) to Interest paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

#### *Capital gains tax*

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non commercial partnership or (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included a long-term individual savings account (*piano individuale di risparmio a lungo*

*termine*) that meets the requirements set forth under Italian tax law, as amended and supplemented from time to time.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian Noteholders under (i) to (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called “*risparmio gestito*” regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, apply or a Real Estate SICAF will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF. Any capital gains realised by Noteholders which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the management results of the Fund. Such result will not be subject to taxation at the level of the Fund, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian Pension Fund will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law, as amended and supplemented from time to time.

Capital gains realised by non-Italian-resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes issued by an Italian resident issuer, which



are traded on regulated markets (and, in certain cases, subject to filing of required documentation) are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country included in the White List, even if it does not possess the status of taxpayer in its own country of residence.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. On the contrary, should the Notes be traded on regulated markets, capital gains realized by non-Italian resident Noteholders would not be subject to Italian taxation.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes.

### **Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, Euro 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, Euro 100,000; and
- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in paragraphs (i), (ii) and (iii) above on the value exceeding, for each beneficiary, Euro 1,500,000.

The transfer of financial instruments (including the Notes) as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth under Italian tax law, as amended and supplemented from time to time.

### **Transfer tax**

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; and (ii) private deeds are subject to registration tax only in "case of use" (*caso d'uso*) or in the case of "explicit reference" (*enunciazione*) or voluntary registration.

## Stamp duty

Pursuant to Article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972 (**Decree 642**), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited in Italy. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed €14,000, for taxpayers different from individuals; this stamp duty is determined on the basis of the market value or - if no market value figure is available - the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011, as subsequently amended, supplemented and restated) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory. The communication is deemed to be sent to the customers at least once a year, even for instruments for which it is not mandatory. In case of reporting periods less than 12 months, the stamp duty is payable on a pro-rata basis.

Stamp duty applies both to Italian resident and to non-Italian resident investors, to the extent that the relevant securities (including the Notes) are held with an Italian-based financial intermediary and not directly held by the investor outside Italy, in which case Italian wealth tax (see below under “Wealth tax on financial products held abroad”) applies to Italian resident Noteholders only.

## Wealth Tax on securities deposited abroad

According to Article 19 of Decree No. 201 of 6 December 2011, as amended and supplemented, individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree 917) resident in Italy for tax purposes holding financial products – including the Notes – outside of the Italian territory are required to declare in their own annual tax declaration and pay a wealth tax at the rate of 0.2 per cent (starting from January 1, 2024, the wealth tax applies at a rate of 0.40 per cent if the Notes are held in a country listed in the Italian Ministerial Decree dated 4 May 1999, pursuant to the provisions of Law No. 213/2023). The wealth tax cannot exceed €14,000 per year for taxpayers different from individuals.

This tax is calculated on the market value of the Notes at the end of the relevant year or - if no market value figure is available - the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Financial assets (including the Notes) held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries pursuant to an administration agreement. In this case, the above mentioned stamp duty provided for Article 13 of the tariff attached to Decree 642 does apply.

## Tax Monitoring rules

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-commercial entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree 917) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax return the amount of investments directly or indirectly held abroad. The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through the intervention of qualified Italian financial intermediaries, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their total aggregate value does not exceed a Euro 15,000 threshold throughout the relevant year.

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