

Guidelines from the Board of
Directors of TERNA S.p.A. to shareholders
on the size and composition of the new
Board of Directors

The Board of Directors of Terna S.p.A. (“Terna” or the “Company”), in line with the recommendations of the Corporate Governance Code for Listed Companies, considering that its mandate expires with approval of the financial statements for the year 2025, and having:

- consulted the Remuneration and Nominations Committee and the Sustainability, *Governance* and Scenarios Committee;
- considered the outcome of the Board Review for the year 2025, carried out by consultants from Russell Reynolds Associates;
- considered the benchmark and good corporate practices shared at national and international level;
- considered the business focus of the following Board of Directors, whose mandate will be of significant importance for continuing growth of the Company’s business in line with the development plans set in the past three years;

with a view to renewal of the Board itself, provides Shareholders with its guidelines regarding:

- the **size** of the new Board of Directors;
- the **composition**, in terms of the figures considered useful for the new Board of Directors, also considering aspects such as professional and general characteristics of its members, and their seniority of role.

Size of the new Board of Directors

In line with market benchmarking, the Board of Directors of TERNA S.p.A. considers that the administrative body may consist of between **9 and 13** directors, in order to ensure an adequate balance of the expertise and experience required by the complexity of TERNA’s business, while allowing the establishment of Committees without excessive overlapping between their respective members.

Moreover, it is noted that market benchmarks reveal structures usually consisting of fewer than thirteen members in other companies of similar or greater size.

Overall, the structure of the BoD and the ratio between independent and non-independent directors are consistent with operating needs, with particular reference to the correct functioning of the Committees.

Composition of the new Board of Directors

The Board suggests ensuring, in line with corporate governance rules, sufficient continuity in terms of composition of the administrative body in order to take advantage of the knowledge acquired regarding the Company and the business in which it operates on the part of Directors. To this end, the Board suggests that, upon renewal, it should maintain and strengthen the presence of **managerial, professional** and/or **academic/institutional profiles**



and profiles with **experience** — including **international experience** — in the **electricity and energy sector**, with particular reference to the **regulation of the sector**, the **energy market** and the **development of the electricity grid**, while also ensuring the existence of profiles with expertise in the **technological and digital sphere**, as well as in the sectors of **innovation** and **artificial intelligence**, with a concrete inclination towards industrial and business application.

In relation to the diversity criteria to be applied to guarantee appropriate Board composition, for the effective performance of the tasks and responsibilities assigned to it, the following are also noted:

- the provisions of the Corporate Governance Code;
- the contents of the “Diversity Policy” adopted by the Company, with particular reference to the requirement that Board members should collectively possess sufficient expertise in the following sectors: (i) Business, in general in the electricity and energy sector; (ii) Corporate governance, legal and corporate issues, contracts, disputes and tenders; (iii) Digital, cyber-security, artificial intelligence, innovation; (iv) Finance, debt, investments; (v) Internal control system, risk assessment and management; (vi) sustainability.

In line with the criteria described, the personal and professional characteristics considered appropriate for the different roles in the Board of Directors of Terna are as follows:

1) the **Chairperson** of the Board of Directors, in continuation of the existing role held on the Board, should:

- represent a figurehead that inspires the trust of shareholders, investors and stakeholders;
- possess adequate knowledge in the field of corporate governance, with significant prior experience, preferably as a leader, of boards of directors of complex listed companies of a significant size and international character, equivalent to TERNA’s own characteristics, and/or primary experience at technical/institutional level;
- possess personal traits that allow creation of a sense of team spirit and cohesion amongst the members of the Board of Directors, to guarantee effective decision making;
- possess the authority to create an independent point of reference for directors, the CEO and management;
- have international experience, accompanied by sufficient knowledge of foreign languages and, in particular, at least English.

2) The **Chief Executive Officer**, in continuation of the role covered in the outgoing Board, should:

- be a figure with recognised strategic capabilities and strategic vision;
- have significant experience and success at the head of listed companies comparable to TERNA;

- have national and international experience in the energy business, the energy transition, climate change and technological innovation, as well as economic and financial skills;
- possess recognised leadership qualities and a management style focused on guidance and the ability to foster team spirit amongst colleagues;
- have sufficient knowledge of foreign languages and, in particular, at least English.

3) The **other Directors** should all be non-executive, should possess the independence requirements established by law and the Corporate Governance Code, and should be of recognised personal integrity; furthermore, they should:

- consist of figures with professional and/or managerial and/or academic/institutional profiles that represent a pool of differing and complementary skills and experience, capable of contributing to the adequate performance of the Board of Directors as a whole, also taking into account the benefits that may be derived from the presence of different genders, ages and levels of professional seniority on the Board;
- be capable of expressing, on the basis of experience gained on boards of directors of listed companies with significant capitalization, strategic guidance, stimulation of results, collaboration and capability to influence and settle any differences;
- possess adequate professional seniority, understood as proven experience in complex organisational contexts in business and/or professional and/or institutional spheres;
- possess or be capable of acquiring, also through appropriate induction activity, the technical knowledge necessary to understand the Terna Group's business and the risks to which it is exposed, allowing adequate performance of stimulation and control in the relative role;
- possess specialised areas of skill, in addition to the expertise already indicated, such as to allow effective participation in both the work of the Board of Directors and in that of the various Committees, contributing to debate and providing insight and dialogue with management;
- have an international mentality and vision, accompanied by sufficient knowledge of foreign languages and, in particular, at least English;
- demonstrate interpersonal skills at all levels, a sense of responsibility and loyalty.

In addition to the above and in line with the provisions of the Corporate Governance Code, in order to guarantee appropriate composition of Committees, it is recommended that at least one Director:

- possesses adequate knowledge and experience in the area of finance and remuneration policy;
- possesses adequate experience in the area of accounting and finance or risk management and sustainability.

Furthermore:

- **management** profiles should:
 - have experience in positions of responsibility in the context of industrial groups of dimensions and complexity equivalent to Terna;
 - have strategic vision and knowledge of the sector;
- **professional** profiles should:
 - have experience in positions of responsibility in the context of important professional enterprises, consulting companies or other organisations, public or private or of an institutional nature;
 - have performed their professional activity with particular focus on industrial and services enterprises.

Commitment and availability

All candidates for Director, in accepting their candidature, in addition to meeting all honour and independence requirements and experience criteria, should carefully assess the availability of sufficient time to dedicate to the diligent performance of their duties and preparation for board and committee meetings, considering both the number and characteristics of roles held on boards of directors and auditors of other companies, and the commitment required of them for other work and professional activities.

In this regard, attention is drawn to the content of the document “*Guidelines on the maximum number of positions that members of the board of directors of TERNA S.p.A. can hold (pursuant to art. 3, File 15 of the Corporate Governance Code for Listed Companies)*” prepared by the Board of Directors.

Specifically, the **average level of participation** in board meetings for members of the Board of Directors of Terna should, in all cases, be in line with the average participation recorded by other companies belonging to the FTSE-Mib index, particularly with those comparable to Terna; and, in any case, be **no lower than 80%** of the **meetings** of the **Board of Directors** held during the year. The percentage indicated above for participation also applies to **Sub-Committee** meetings.

It is noted, purely as an indication, that 2025 saw nine meetings of the Board of Directors, ten meetings of the Audit and Risk Committee, fourteen meetings of the Remuneration and Nominations Committee, thirteen meetings of the Sustainability, Governance and Scenarios Committee, and three meetings of the Related-Party Transactions Committee.

Independence and “Reference Parameter”

In accordance with the provisions of the Document “*Criteria of application and procedure for the assessment of independence, pursuant to art. 2 of the Corporate Governance Code*” adopted by the Company’s Board of Directors, the minimum circumstances that compromise, or appear to compromise, the independence of a director are those indicated

in art. 2, Recommendation 7 of the Corporate Governance Code and referenced in the Document itself.

In relation to the **significance of Commercial, Financial or Professional Relationships**, the Document states that: (a) in terms of pre-existing relationships, these are generally deemed significant in the case of commercial, financial or professional relationships with Terna or its subsidiaries, or with their executive directors and top management, or with a party which controls Terna (including together with others through a shareholder agreement), or — if the controlling party is a company or entity — with its executive directors and top management which, in at least one of the three financial years prior to the appointment to the position of director, amount — individually or cumulatively — to more than 100% of the “**Reference Parameter**” for each financial year ⁽¹⁾, therefore **in the amount of 105,575.34 euros**; and that (b) directors must refrain from all of the above Relationships following appointment to their position — and, therefore, throughout the course of their mandate — in order to be classed as independent ⁽²⁾.

In relation to the **significance of additional remuneration**, the Document states that: (a) the additional remuneration — i.e. remuneration arising from relationships of employment, administration or control — received by a director from TERNA, its parent company or one of its subsidiaries during the course of any one of the three financial years prior to their appointment to the position of director is generally considered significant if, individually or cumulatively, for each financial year, it **exceeds the aforementioned Reference Parameter**; and (b) directors must refrain from receiving additional remuneration from TERNA, its parent company or one of its subsidiaries which, individually or cumulatively, amounts to more than 40% of the Reference Parameter previously described following appointment to their position and, therefore, throughout the course of their mandate ⁽³⁾.

⁽¹⁾ Pursuant to Art. 5.1. of the Document “*Criteria of application and procedure for the assessment of independence, pursuant to art. 2 of the Corporate Governance Code*”, the term “**Reference Parameter**” means the average remuneration paid, respectively, to non-executive directors and to statutory auditors for their role and for any participation in the committees recommended by the Corporate Governance Code or required by the applicable legislation during the course of the final year of the previous mandate (in this case, 2025), as calculated by the Corporate Affairs and Corporate Governance Department. The Chair of the Board of Directors is not taken into account for the purposes of calculating the “Reference Parameter”, neither in terms of the number of directors nor in relation to the amount earned by that role.

The **Reference Parameter** for **statutory auditors** is **45,000 euros**. The Chair of the Board of Statutory Auditors is not taken into account for the purposes of calculating the “Reference Parameter”, neither in terms of the number of auditors nor in relation to the amount earned by that role.

With specific regard to the Chair of the Board of Directors and the Chair of the Board of Statutory Auditors, the Reference Parameter refers to the remuneration received for that role during the course of the final year of the previous mandate (in this case, 2025), in the amount of **238,000 euros** for the **Chair of the Board of Directors** and **55,000 euros** for the **Chair of the Board of Auditors**.

⁽²⁾ Pursuant to art. 5.5 of the Document “*Criteria of application and procedure for the assessment of independence, pursuant to art. 2 of the Corporate Governance Code*”, in reference to any commercial, financial or professional relationships entered into by close family members of directors or auditors, the Reference Parameter applies to the commercial, financial and professional relationships carried on by such persons both during the course of any one of the three financial years prior to the appointment of the director, and during any of the financial years throughout the duration of the mandate.

⁽³⁾ Pursuant to art. 6.3 of the Document “*Criteria of application and procedure for the assessment of independence, pursuant to art. 2 of the Corporate Governance Code*”, in reference to the close family members of directors or auditors, the Reference Parameter applies to remuneration received both during the course of any one of the three financial years prior to the appointment of the director, and during any of the financial years throughout the duration of the mandate.