



**Guidelines of the Board of Statutory Auditors of TERNA S.p.A.  
on the composition and remuneration of the new  
Board of Statutory Auditors to be appointed by the  
Shareholders' Meeting**

Dear Shareholders,

The upcoming Shareholders' Meeting of TERNA S.p.A. (“**TERNA**” or the “**Company**”) will be called to resolve on the appointment of the supervisory board of the Company for the 2026-2028 term and determine the related remuneration, seeing as the term for this Board of Statutory Auditors will expire with the approval of the financial statements as at 31 December 2025.

In this regard, it should be noted that:

- the Corporate Governance Code (2020 version), prepared by the Italian Committee for Corporate Governance of Borsa Italiana S.p.A. (the “**Corporate Governance Code**”), adopted by TERNA, states under Principle VIII that, “*The supervisory body must have an adequate composition to ensure the independence and professionalism of its function*”;
- the “Rules of Conduct of the Board of Statutory Auditors of Listed Companies” (December 2024 edition - Rule Q.1.5), recommend that outgoing Statutory Auditors submit to the listed Issuer, in view of the renewal of the supervisory body, a document summarising the activities carried out in order to allow the Shareholders and the prospective Statutory Auditors to assess the extent and complexity of the office to be assumed, the commitment and time required, as well as the adequacy of the related remuneration.

The Board of Statutory Auditors believes, including in light of the practices of other Issuers, that Recommendation 23 of the Corporate Governance Code – according to which the Board of Directors of listed companies other than those with concentrated ownership, whenever renewed, is asked to express guidance on its optimal quantitative and qualitative composition, taking into account the results of the self-assessment – could also be applied, in line with best practices, during renewal of the Board of Statutory Auditors.

Therefore, the Board of Statutory Auditors intends to provide the TERNA Shareholders – on the basis of its experience and the results of the self-assessment carried out with the support of an independent advisor, during the three-year term in office – with a portrayal of the desirable expertise and qualifications for the incoming Board of Statutory Auditors.

In light of the foregoing, this document seeks to bring to the attention of the Shareholders several considerations relating to:

- the qualitative and quantitative composition of the supervisory body;
- the complexity of the office and related time commitment;
- the adequacy of the remuneration.

The Board of Statutory Auditors of TERNA prepared and approved this document at its meeting on 2 March 2026.

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### **Qualitative and quantitative composition of the supervisory body**

Article 26 of the By-Laws of TERNA S.p.A. states that the Board of Statutory Auditors must be formed of 3 Standing Auditors, among which is the Chair, and 3 Alternate Auditors.

With reference to the independence and professional requirements, the aspects pertaining to compliance with gender quotas, as well as the grounds for ineligibility, incompatibility and forfeiture, please refer fully to the current legislation, the Company By-Laws and the Corporate Governance Code. It is noted, in particular, how the professionalism and independence of the Statutory Auditors are known to represent a fundamental safeguard for the entire system of internal controls and risk management, given that the Board of Statutory Auditors must oversee the efficacy of the aforesaid system (see Recommendation 32(f) of the Corporate Governance Code).

The Board of Statutory Auditors also recognises, including in compliance with the “Diversity Policy for Administrative and Auditing Bodies of TERN A S.p.A.”, approved by the Company’s Board of Directors, the value of diversity within its composition, not only in terms of gender, but also seniority and expertise.

The Board of Statutory Auditors therefore invites the Shareholders to consider how important it is for the new supervisory body to be formed of professionals with diverse expertise and, where possible, include members with proven experience and knowledge of:

- primary and secondary legislation applicable to listed companies;
- accounting and auditing standards;
- corporate governance rules;
- internal control and risk management systems;
- standards and legislation on ESG issues;
- management remuneration policies.

Lastly, the Board of Statutory Auditors hopes that the renewal might also take account of the benefits arising from a structure that possibly ensures continuity in the performance of the supervisory duties required of it, by developing the widespread commitment and experience already created and gained.

### **Complexity of the office and related time commitment**

The activity of the Board of Statutory Auditors will involve a significant commitment, including in relation to the obligations towards the Supervisory Authority, considering the size of the Group, its structure, its specific operations, as well as the relevance and complexity of the regulatory framework.

The supervisory body of a listed Parent Company, such as TERN A, is required, in the context of its activity, to perform close supervision of the entire system of rules and internal procedures, referring to the activity of management and coordination of subsidiaries, including through adequate information exchange with the Boards of Statutory Auditors of the investee companies.

Particular importance is placed on the duties of the supervisory body associated with:

- the rules on statutory audits, implemented at European level and adopted in Italy, which assigned the supervisory body with the role of Internal Control and Audit Committee, with the task of performing reporting and monitoring activities, such as (i) supervision of the procedure to select the auditing firm, (ii) verification of the latter’s independence, and (iii) prior approval of services other than auditing, in addition to information exchange with the auditing firm and with the board of directors;
- the introduction of legislation on non-financial reporting, with additional activities for compliance with related rules, and the most recent Environmental, Social and Governance (ESG) regulations, particularly with reference to:
  - Italian Legislative Decree 125 of 6 September 2024, which, in article 10, par. 1, establishes the following: *The auditing body, in the context of performing the functions attributed to it by the legislation, supervises observance of the provisions laid down in this decree and reports on this in the annual report to the shareholders’ meeting*”;
  - in the December 2024 edition of “Rules of Conduct of the Board of Statutory Auditors of Listed Companies” and in particular in Rule Q.3.8-bis, which in the context of the duties of the Board of Statutory Auditors references “Oversight of sustainability reporting”, establishing that: *“The Board of Statutory Auditors ensures that sustainability reporting is both prepared and published in compliance with the relevant regulatory provisions and monitors the adequacy of the organisational, administrative, reporting and auditing system adopted, to ensure proper and full representation in individual and*

*consolidated sustainability reporting of “the information needed to understand both the impact on the company of sustainability issues and the way in which these sustainability aspects influence the company's performance, its results and its situation.”*

Furthermore, it should be noted that the Board of Statutory Auditors must continue, in the upcoming three-year period, to monitor the gradual improvement of the structural components of the Internal Control and Risk Management System and their integration into the more general organisational and corporate governance structures.

The members of the Board of Statutory Auditors appointed must consider that the office will require a significant portion of their time, as a result of participating in the meetings of this Board, in those of the Board of Directors and in those of the Subcommittees. Therefore, on the basis of the experience of the outgoing Board of Statutory Auditors, the prompt and constant participation in said meetings is essential for the adequacy of the overall supervision activity within its remit.

Such commitment is not met with mere participation in meetings, since the time spent reviewing documentation in advance of the meeting is also important.

It also includes participation in induction sessions or days on various subjects of interest, intended to allow for updates and further insight into governance issues or issues relating to the specific activities of the Group.

Therefore, with the aim of allowing for the assessment of the commitment deemed necessary for effective participation in the meetings of TERNA’s corporate bodies, the following tables summarise the frequency of participation of this Board of Statutory Auditors, usually by all its members, in the related meetings in the 2023-2025 three-year period of the corporate bodies and of the Subcommittees of TERNA, and in induction sessions. Naturally, it should be considered that the number of meetings in which this Board of Statutory Auditors participated in 2023 reflects the fact that it was appointed on 9 May 2023, and the meetings for the current financial year 2026 to date are shown. A further 4 meetings of the Board of Statutory Auditors are scheduled before the upcoming Shareholders’ Meeting.

<b>Corporate Bodies and Subcommittees</b>	<b>Meetings in 2023</b>	<b>Meetings in 2024 (*)</b> (through 23 October 2024)
Shareholders’ Meeting	0	1
Board of Statutory Auditors	13	19
Board of Directors	10	10
Audit, Risk and Sustainability Committee	10	10
Nominations, Governance and Scenarios Committee	11	13
Remuneration Committee	6	9
Related-Party Transactions Committee	9	5
Induction sessions	4	2

Corporate Bodies and Subcommittees	Meetings in 2024(*) (from 23 October 2024)	Meetings in 2025	Meetings in 2026 (before 2 March 2026)
Shareholders' Meeting	0	1	0
Board of Statutory Auditors	7	28	3
Board of Directors	2	9	3
Audit and Risk Committee	2	10	2
Remuneration and Nominations Committee	0	14	2
Sustainability, Governance and Scenarios Committee	4	13	2
Related-Party Transactions Committee	1	3	1
Induction sessions	0	4	0

(\*) Until 23 October 2024, the Board of Directors had the following internal Board committees: (i) Remuneration Committee; (ii) Audit, Risk and Sustainability Committee; (iii) Nominations, Governance and Scenarios Committee; (iv) Related-Party Transactions Committee. As from 23 October 2024, the Board of Directors made a resolution to revise the structure of the committees as follows: (i) Sustainability, Governance and Scenarios Committee; (ii) Audit and Risk Committee; (iii) Remuneration and Nominations Committee; (iv) Related Party Transactions Committee.

It should also be noted that the average duration of the meetings of the Board of Statutory Auditors, carried out during the term, was 87 minutes, i.e. 1 hour and 27 minutes.

The Board of Statutory Auditors periodically met with the Supervisory Body, the Internal Audit Department and the Chairs of the Boards of Statutory Auditors of the main Italian subsidiaries.

Lastly, consideration should be taken of the time spent drafting and reviewing the minutes of the meetings of the Board of Statutory Auditors.

On the basis of the above, it should be noted that the average commitment for each statutory auditor, for the activities outlined in the table above, was around 60 days per year.

### **Adequacy of the remuneration**

Recommendation no. 30 of the Corporate Governance Code states that “*the remuneration of the members of the supervisory body must envisage a fee adequate for the expertise, professionalism and commitment required by the relevance of the role held and the size and sector-related characteristics of the undertaking and its situation*” and, to this end, the outgoing Board of Statutory Auditors believes, with this report, that it has provided useful information for determining adequate remuneration that takes account of the commitment required of the supervisory body. In order to provide useful indications, it should be noted that the independent advisor, which supported the self-assessment exercise in 2023 by collecting the data related to the fees of the boards of statutory auditors of 20 listed companies, comparable in terms of complexity and size to TERNA, found that the fee of TERNA’s Board of Statutory Auditors was around 20% lower than the median of the sample of companies analysed.

To evaluate the adequacy and fairness of the remuneration assigned by the Shareholders’ Meeting to the

members of the Board of Statutory Auditors, it is useful to make a comparison with the fees paid to the non-executive Directors, including the remuneration paid for participation on internal Board committees, in particular the Audit & Risks Committee, also for the purpose of consistent treatment of the company bodies.

Additionally, attention is called to the 2023/2025 fees paid to the Board of Statutory Auditors of the investee companies of the shareholder CDP (such as SNAM and Italgas), which are provided in the following table<sup>1</sup>

	<b>Chairman of the Board of Statutory Auditors</b>	<b>Standing Auditor, Board of Statutory Auditors</b>
<b>SNAM</b>	80,000	60,000
<b>Italgas</b>	70,000	45,000
<b>TERNA</b>	55,000	45,000

These fees, established in financial year 2017, have not been adjusted since then, either to take inflation into account or to include the additional activities performed by the Board of Statutory Auditors starting in financial year 2024, with respect to Sustainability Reporting, as required under Italian Legislative Decree 125/2024 and Rule Q.3.8-*bis*, as better specified above.

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The outgoing Board of Statutory Auditors, therefore, asks the Shareholders to take the above information into consideration, in the interest of the Company and of the members of the new supervisory body, and to consider the requirement that the Statutory Auditors must guarantee adequate availability of time to perform their duties, having assessed the number and complexity of the positions possibly held by them in the corporate bodies of other companies, in compliance with the laws, including by-laws, in force at the time regarding concurrent positions, as well as the commitment required by the additional professional activities performed.

### **The Board of Statutory Auditors**

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<sup>1</sup> Source: Report on the Remuneration Policy of the respective companies