



TIM GROUP

Infrastrutture Wireless Italiane S.p.A.

INWIT

2017 REPORT ON REMUNERATION

Pursuant to Article 123-ter of Legislative Decree No. 58/1998

Report approved by the Board of Directors at its meeting of 28 March 2017

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INTRODUCTION

This document (the “Report”), approved by the Board of Directors on 28 March 2017, based on the indications of the Nomination and Remuneration Committee, has been prepared in accordance with Table 7-bis, Annex 3A, of the Regulation adopted by CONSOB with Resolution No. 11971/1999, as further amended (the “Issuers’ Regulation”), and shall be divided into two sections:

- in Section 1, the remuneration policy (the “Policy”) drawn up by Infrastrutture Wireless Italiane S.p.A. (hereinafter “INWIT” or the “Company”) for the 2017 remuneration of Directors and Key Managers with Strategic Responsibilities (hereinafter also “Key Managers”), specifying the general objectives to be achieved, the relevant bodies and the procedures to be applied for the adoption and implementation of the Policy;
 - in Section 2, the remuneration paid in 2016 to the Directors, Statutory Auditors and Key Managers with Strategic Responsibilities, illustrating the coherence with the previous year’s remuneration policy.
- Furthermore, the Report shows the shareholdings of the Directors, Statutory Auditors and other Key Managers in the Company.

The Policy described in Section 1 of the Report has been drawn up in accordance with the guidelines on remuneration contemplated in the Corporate Governance Code of Borsa Italiana S.p.A. (hereinafter, the “Corporate Governance Code”), as most recently amended in July 2015.

This Report is to be submitted to Borsa Italiana and made available to the public at the Company’s registered office and on the corporate website within the 21st day prior to the date on which the Shareholders’ Meeting is convened to approve the 2016 Financial Statements and express its non-binding opinion on the Section 1 of this Report, pursuant to the applicable laws.

In preparing this Report, the Company has not been supported by independent expert.

INWIT

Infrastrutture Wireless Italiane S.p.A. (abbreviated to “INWIT”, hereinafter also the “Company”) operates in Italy in the electronic communications infrastructure sector, and, specifically, on infrastructure that hosts radio transmission equipment for telecommunications and the broadcasting of television and radio signals.

INWIT has been operating in the sector since the transfer by TIM, in March 2015, effective from 1 April 2015, of the branch of its business whose principal purpose is the activities related to the creation and management of passive site infrastructure, generally composed of civil structures (such as towers, pylons and masts) and the technological equipment needed to host transceivers owned by Mobile Operators and other operators in radio services.

Infrastructure companies in this sector are also called Tower Companies or Tower Operators. In this context, INWIT stands out, because it is the foremost Italian Tower Operator both in terms of overall turnover and in the number of sites it operates (around 11,000 distributed in a capillary way throughout Italy).

PRINCIPAL EVENTS OF 2016

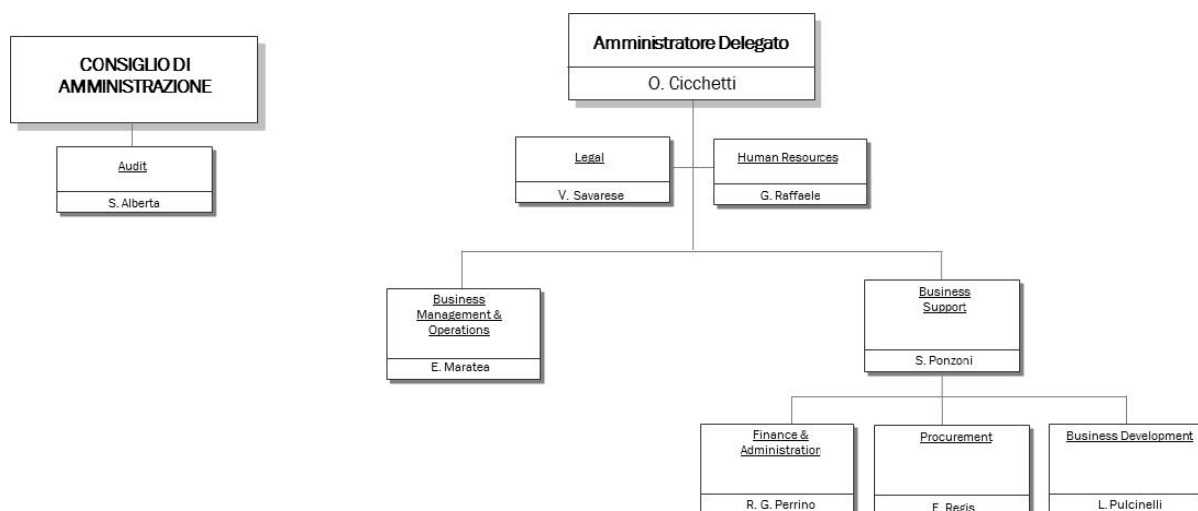
2016 was characterised by:

- confirmation of the positive trend in the principal economic and financial indicators, particularly revenues from hosting, and EBITDA, and the increase in the typical market indicator for Tower Companies, the co-tenancy ratio - which represents the average number of tenants hosted on sites - of over 1.7, compared to the 1.5 it was achieving at the moment the Company was created;
- the evolution of the reference context and scenario, influenced by, on the one hand, the decision by parent company TIM S.p.A. to not sell off its stake in INWIT, and on the other, the acceleration of INWIT’s activities in creating microcellular cover and fibre links for sites (backhauling);
- The *consolidation* of the structure, after the initial start-up phase, attested by the start of a process for *ISO certification* of the processes overseen by the Business Management & Operations department, which concluded with certification being granted in February 2017;
- the strengthening of the *organisational structure*, by creating new Staff functions (i.e. “Business Support” and “Compliance and Regulation”) aimed at achieving greater oversight of the processes for directing/supporting and controlling the business;
- a coherent growth in *headcount*, accompanied by careful processes for continuous training and skill development;
- confirmation of the attention *paid* by the Company to *remuneration* policies and the transparency of their rationale.

ORGANISATIONAL STRUCTURE AND KEY MANAGERS

To ensure that the company objectives are achieved, and that attention is constantly paid to continuous process improvement, the Company has strengthened its organisational model, introducing new company departments, in the form of the Business Support department - with a mandate to ensure coordination of Finance & Administration, Procurement and Business Development, and the Compliance and Regulation department, in the Legal area, with the aim of equipping the company with organisational oversight of compliance and regulatory issues.

A broad overview of the organisation of INWIT is provided below (details available on the website www.inwit.it)



The organisational structure adopted by the Company envisages the following departments reporting directly to the Chief Executive Officer:

- the **Business Management & Operations** department, which is responsible for all the operational activities, and, in particular sales, formalising contracts with and managing customers, site search and acquisition, rental contract management, renegotiation of contract terms and conditions, and the operational management of sites and equipment. In particular, for the operational management of the activities related to the sites spread throughout Italy, the Business Management & Operations department works through 4 regional groups - North-West, North-East, Centre and South;
- the **Business Support** department, created in October 2016, with the mandate to coordinate the work of three departments, Finance & Administration, Procurement and Business Development (also a new department, created in 2016);
- the **Legal** department, which provides legal protection for the Company through consultancy, assistance and the resolution of any disputes and litigation. Through the new Compliance & Regulation department, created in October 2016, Legal also ensures management of compliance processes and regulatory issues ;
- the **Human Resources** department, which undertakes the recruitment, management and development of personnel, defines pay policy and performance assessment, defines and adopts the organisational structure to effectively and efficiently support the achievement of the company objectives.

The **Audit** department reports to the Board of Directors, defining and implementing audit programmes, preparing reports on audits that have been carried out and monitoring the implementation of improvement plans developed after audits.

The Key Managers of INWIT with strategic responsibilities are:

KEY MANAGERS	ORGANISATIONAL STRUCTURE
EMILIO MARATEA	HEAD OF BUSINESS MANAGEMENT & OPERATIONS
SILVIA PONZONI*	HEAD OF BUSINESS SUPPORT
RAFAEL GIORGIO PERRINO	HEAD OF BUSINESS SUPPORT/FINANCE & ADMINISTRATION

* On 2 November 2016 the Board of Directors approved the identification of the head of the Business Support department as a Key Manager of the Company.

At 31 December 2016, INWIT had a total of 88 employees.

FIRST SECTION: 2017 REMUNERATION POLICY

1. EXECUTIVE SUMMARY

In coherence with the Guidelines of Parent Company TIM S.p.A., INWIT's 2017 Remuneration Policy reflects the fundamental principles stated in 2016, which meet the aim of aligning of the interests and work of the management with the strategies of the company, promoting value creation for the shareholders and stimulating the management's engagement in business challenges.

Some new elements have been introduced in the 2017 remuneration policy:

- a condition for the payment of the accrued bonus has been introduced into the short term variable remuneration system, in the form of the net profits reported in the financial statements;
- a claw-back clause has been introduced, as also suggested in the Corporate Governance Code;
- a Group objective has been introduced into the MBO score card, represented by TIM Group EBITDA, which acts as a gate for the bonus system.

To define the 2017 remuneration policy, the Company has, with the support of a primary consulting firm, updated its assessment of the organisational structure in terms of the adequacy and coherence of key positions in relation to the responsibilities assigned to them, and their pay level. The update has enabled both fixed and variable pay components to be compared with the external market, taken as reference.

The 2017-2019 strategic plan represents the reference for identifying the company objectives for the new short term variable remuneration system.

Total remuneration has a fixed part and a short term variable part, intended to stimulate the commitment and individual contribution made to the achievement of the strategic objectives of the company: the rationale and features of the pay system are summarised below.

Elements of remuneration	Criteria	Recipients
Fixed Remuneration	<ul style="list-style-type: none"> • Is defined in coherence with the complexity of the role • Is compared with the selected market benchmarks, to ensure competitiveness of labour costs and to ensure, where opportune, that the positioning of the individual is aligned towards the target remuneration • It takes account of the individual performance 	Chief Executive Officer, Key Managers, Managers, The whole company workforce
Short term variable remuneration	<ul style="list-style-type: none"> • Is correlated with the role • Is defined as a percentage of fixed remuneration (gross annual remuneration) • Is compared using the market benchmarks of the selected market • Is linked to the achievement of annual economic, financial and quantitative operational objectives that are predetermined • Is subject to gate conditions • Envisages a maximum payout with a cap of 140% of the target bonus • Has a clawback clause. 	Chief Executive Officer, Key Managers, Managers
Non-monetary benefits	<ul style="list-style-type: none"> • Insurance policies (accident, life, permanent invalidity) • Coverage of healthcare expenses • Complementary welfare • Company car for mixed use • Health checkups 	Chief Executive Officer, Key Managers, Managers

2. GOVERNANCE OF THE REMUNERATION PROCESS

INWIT's Remuneration Policy has been drawn up in accordance with the Company's governance model and the guidelines set forth in the Corporate Governance Code of Borsa Italiana, in compliance with applicable laws and the Telecom Italia Group's Code of Ethics and Conduct, adopted and approved by the Company.

With a resolution of the Board of Directors on 27 February 2015, INWIT adopted the Corporate Governance Principles, subsequently modified by resolutions on 21 December 2015 and 2 November 2016. Pursuant to the Company's related party transaction procedure (which can be viewed on the website www.inwit.it - Governance section), any decision on the remuneration of Directors and Key Managers that comply with the remuneration policy submitted to the General Shareholders' Meeting are considered irrelevant and thus do not fall within the scope of CONSOB regulation No. 17221/2010.

The remuneration policy is defined in a clear and transparent way, through a process that involves the Nomination and Remuneration Committee supported by the Human Resources department, the Board of Directors and the Shareholders' Meeting.

The principal attributes and roles of the corporate bodies involved, referenced in the Corporate Governance Code, are as follows:

Nomination and Remuneration Committee

The nomination and remuneration committee is composed of independent directors Cristina Finocchi Mahne, appointed Chair on 14 January 2016, Paola Bruno and Giuseppe Gentili.

After the resignation - on 3 May 2016 - of Elisabetta Colacchia as a member of the Nomination and Remuneration Committee, since she no longer met the requirements of independence, the Board of Directors, on the same date, resolved to temporarily appoint the Lead Independent Director, Paola Schwizer, as a member of the Committee, and she was succeeded on 2 November 2016 by Giuseppe Gentili - Director.

Nomination and Remuneration Committee

- Proposes the criteria for allocating the total annual compensation established by the Shareholders' Meeting for the whole Board of Directors
- Proposes to the Board of Directors the definition of the remuneration policy for Directors and Key Managers with Strategic Responsibilities
- Periodically evaluates the adequacy, overall consistency and actual application of the policy for the remuneration of Directors and Key Managers with Strategic Responsibilities, also on the basis of the information provided by the managing directors, and formulates proposals to the Board of Directors in that regard
- Examines, with the assistance of the Human Resources Function, the remuneration policy for managers, with specific regard to the Key Managers with Strategic Responsibilities
- Submit proposals or issue opinions to the Board of Directors for the remuneration of Executive Directors and other Directors who cover particular offices as well as for the identification of performance objectives related to the variable component of that remuneration; monitor the implementation of decisions adopted by the Board of Directors and verify, in particular, the actual achievement of performance objectives

The Committee's meetings are attended by the Chair of the Board of Statutory Auditors or, if he or she is unable to participate, another Statutory Auditor designated by the Chair of the Board of Auditors.

During 2016 the Nomination and Remuneration Committee met 10 times, and all members attended the meetings, with a 100% attendance rate by the Directors.

The activities undertaken by the Committee, with the support of the Human Resources department, were as follows:

- definition of an extraordinary bonus plan to be implemented in the eventuality that TIM's stake in INWIT should be sold
- review of the remuneration policy for Key Managers and proposed changes, after analysis of the pay of comparable posts in the selected market, connected with the system of assessment of organisational positions, carried out by the HR department with the support of an external consultant
- finalisation of the short term variable component for the Chief Executive Officer and Key Managers for 2015
- monitoring and checking of the implementation/actuation of the 2016 remuneration policy

- refining the targets for the short term bonuses proposed by the HR department for 2016 of the Chief Executive Officer, the Key Managers and, in agreement with the Control and Risk Committee, of the Head of the Audit department
- informational analysis of the creation of the Business Support department
- preparing the 2016 Remuneration Report
- defining the guidelines for the 2017 Remuneration Policy, and in particular for the short term variable remuneration system for 2017
- investigating and defining the succession planning process and replacement tables for the Chief Executive Officer
- carrying out the 2016 board evaluation, with the support of the Secretary to the Board of Directors.

Board of Directors

The Board of Directors is composed of eleven members; six Directors (Paola Bruno, Primo Ceppellini, Cristina Finocchi Mahne, Alessandro Foti, Giuseppe Gentili and Paola Schwizer) meet the independence requirements pursuant to Legislative Decree 58/1998 and the Corporate Governance Code.

Mr Giuseppe Gentile was co-opted as a Director on 10 June 2016, to replace Ms Francesca Petralia.

Board of Directors	
▪	Approves the Remuneration Report pursuant to Article 123-ter of the CLF, upon proposal of the Nomination and Remuneration Committee
▪	Approves the subdivision of the total remuneration assigned by the Shareholders' Meeting to the Board of Directors — in the event the Shareholders have not taken any decision thereon — based on the proposals submitted by the Nomination and Remuneration Committee
▪	Determines the remuneration of Directors who hold special positions, based on the proposals made by the Nomination and Remuneration Committee and after consulting with the Board of Statutory Auditors
▪	Defines, at the proposal of the Nomination and Remuneration Committee, a policy for the remuneration of the Executive Directors and Key Managers with Strategic Responsibilities
▪	Submits proposals to the Shareholders' Meeting on any remuneration plans providing for the assignment of financial instruments to Directors and employees, including Key Managers with Strategic Responsibilities.

Shareholders' Meeting

Shareholder's Meeting

- Expresses itself annually, with non-binding vote, on the first section of the Remuneration Report, containing the remuneration policy for the year after the one reported
- Defines the total gross annual remuneration of the Board of Directors, on the basis of proposals made by shareholders when submitting the lists of candidates, in view of the appointment of the new Board
- Passes resolutions, upon proposal of the Board of Directors, on any remuneration plans providing for the assignment of financial instruments to Directors and employees, including Key Managers with Strategic Responsibilities.

In defining the Remuneration Policies, the Human Resources Department:

- proposes the overall structure of the management incentive system to the Nomination and Remuneration Committee, by identifying the operating mechanisms and the objectives to be assigned to Key Managers with Strategic Responsibilities;
- updates the Nomination and Remuneration Committee on the work done in the context of the remuneration policy for Key Managers with Strategic Responsibilities as established by the BoD;
- analyses and monitors over time the implementation and consistency of the general remuneration policy in relation to the established policy, proposing adjustments where deemed necessary;
- supplies the Nomination and Remuneration Committee with the technical support and all the information needed for it to perform its tasks.

3. 2017 REMUNERATION POLICY TOOLS AND GUIDELINES

The Remuneration Policy of INWIT, in accordance with the Guidelines of Parent Company TIM S.p.A., proposes to:

- support the achievement of the business objectives, promoting the alignment of the interests and work of the management with company strategies
- ensure coherence between the remuneration of the management and the performance of the company, in line with the expectations of the shareholders
- promote the creation of value for the shareholders, and the continuous improvement of company performance
- strengthen the engagement of the management, by recognising the importance of their role, the results attained and the quality of managerial and professional input, always using as reference comparison with the external market, the necessary competitiveness on the labour market and pay fairness.

The 2017 remuneration policy confirms the overall approach of 2016, and takes account of some changes and updates that are reflected in the elements of remuneration, and namely:

- fixed remuneration
- short term variable remuneration
- non-monetary benefits.

FIXED REMUNERATION

This component is defined in coherence with the complexity of the role assigned to the Manager. The breadth and relevance of Key Manager roles have been updated with the support of a leading management consultancy, a world leader in job evaluation and pay investigations - to take account of the evolution of the business and of the activities/processes managed by INWIT. At the same time, the pay analysis has also been updated, by comparing the elements of remuneration with the data observed in the market selected, composed of a sample of companies comparable to INWIT in the infrastructure, industrial, high-tech and utility sectors.

The adjustments to fixed remuneration take account of the role, responsibilities and amounts observed in the selected market with which INWIT compares itself.

SHORT TERM VARIABLE REMUNERATION

The variable component applies to the Chief Executive Officer, the Key Managers and all heads of company department, for a total of 20 Managers.

New elements regarding variable remuneration are:

- the introduction into the short term variable remuneration system of a condition for the payment of the accrued bonus, in the form of the net profits reported in the financial statements,
- the introduction of a claw-back clause: in line with the provisions of the Corporate Governance Code to which the Company adheres, this clause enables the company to recover all or part of the short term variable element of remuneration paid to all Managers who receive MBOs. The clause entitles the Company to ask for repayment of the variable remuneration paid in case of confirmed malicious or seriously negligent behaviour, behaviour that breaches laws and fraud, and in case of error. In case of error, the clause is applied within 3 years of the payment, and in the other cases within the following 5 years, without prejudice to any other action to protect the interests of the Company.
- the introduction of TIM Group EBITDA as a gate objective in the score cards assigned to the Chief Executive Officer, Key Managers and all recipients of MBOs. If this Group objective is not achieved, and after ascertaining that its non-achievement is not attributable to INWIT (the check will take account of the extent to which the Company achieved its budget objectives), and taking account of the overall performance achieved by the management, which can also be measured with reference to the other objectives assigned, the Board of Directors will proceed to pay the variable component of the remuneration according to the schemes specified for calculating the MBO.

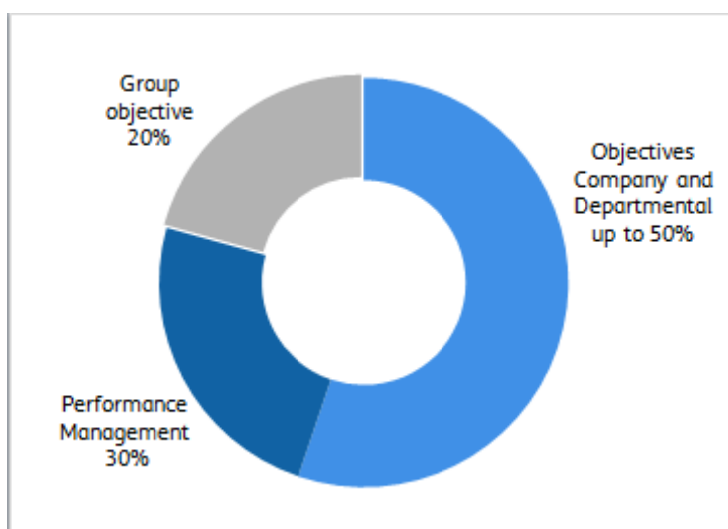
The new MBO 2017 system takes account of the 2017 - 2019 Strategic Plan, which confirms the company growth objective as “double digit/low teens” in EBITDA, to be achieved through a series of investments. The plan envisages an increase in the portfolio of sites, the development of new businesses and, in particular the development of single- and multi- operator microcellular coverage, and the continuation of the efficiency programme based on the acquisition of land and surface rights.

The score card features:

- Group objective: represented by TIM Group EBITDA, which acts as a gate for the bonus system
- company objectives: these refer to the company as a whole, and their achievement depends on the whole organisational system
- departmental objectives: these reflect the specific activity of a subset of the organisation
- performance management objectives: these reflect the specific activity of a company role, and allow the behaviour of the individual to be appraised against the Group model. The Performance Management section - which is applied for all the Management in the bonus scheme, apart from the Chief Executive Officer - consists of:
 - an individual objective;
 - a behavioural objective, assessed, according to the TIM Group’s skills model, on a “multirater” basis, which means that it incorporates the assessments made by the person’s boss, peers (managers at the same organisational level) and collaborators.

The two components (the individual objective and the behavioural objective) contribute 50% to the final synthesis, which is graded on a scale of 1 to 7: achievement of a level of less than 3 does not generate any payment, while achievement of levels 3 to 7 corresponds to the award of a bonus that increases according to the level achieved, calculated using a predefined linear interpolation. In the case of Key Managers and the Head of Audit, greater weight - 67% - is attributed to the individual objective than the behavioural one.

The weight assigned to the objectives that make up the score cards differ according to the role and the department the person belongs to (line/staff). Overall, the weights of the different types of objective assigned to the management are distributed as follows:



Each objective in the MBO score card is measured individually, so different combinations of levels of achievement of the objectives are possible; a linear interpolation mechanism is used to assess them.

The approach of the 2017 MBO, in line with the 2016 MBO, is that the bonus will be defined at target (100%) level, and represents a percentage of the individual gross annual pay, predetermined according to the role and the pay comparison with the reference market.

The scale of pay-out of the MBO is established in a range from 70% of the specified bonus, if the minimum level of the identified objectives has been achieved, to 100% of the bonus if the target level has been achieved and up to a cap of 140% of the bonus for results that reach the maximum level.

The pay-out scale of the MBO is shown below, assuming that all objectives are achieved at below-minimum, minimum, target level and maximum level, respectively.

Performance Levels	Parametrised scale
All objectives below the minimum level	0%
All objectives at the minimum level	70%
All objectives at the target level	100%
All objectives at maximum level	140%

All the KPIs on the score card are made definitive after the closing of the 2017 financial year: so the bonus deriving from the finalisation of the MBO will be paid in the following year.

LONG TERM VARIABLE REMUNERATION

At the moment, the hypothesis of introducing medium-long term variable remuneration tools is being examined, to make available an incentive tool that is in line with best practice and aligned with the objectives of the Company.

BENEFITS

The Benefits provided for the Company management are similar to those defined for senior and junior executives, additional to the provisions of the reference CCNLs, or collective employment agreements (the CCNL for senior and junior executives of companies producing goods and services and the CCNL for enterprises operating telecommunications services): insurance policies (accidents, death, permanent disability); health care expense cover; supplementary pension fund; company car for mixed use; health check-ups.

4. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

The remuneration of the Chief Executive Officer and Key Managers with Strategic Responsibilities is defined in coherence with the principles of the remuneration policy, taking account of the complexity of the role, the pay data of the reference market, without prejudice to overall coherence with the policies for remuneration set by the TIM Group.

The Company has not appointed any General Managers.

Remuneration of the Chief Executive Officer

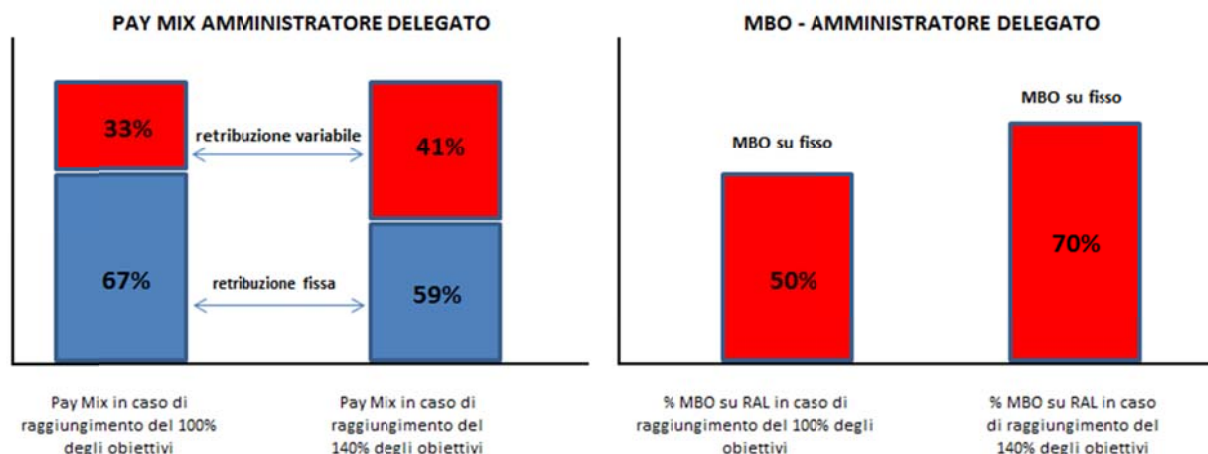
The pay of the Chief Executive Officer, Mr Oscar Cicchetti, was determined by the Board of Directors of INWIT, with the approval of the Board of Statutory Auditors, on 8 May 2015, and is to apply for the three years of his term of office.

The remuneration package was determined in coherence with the mandates and powers attributed to him, and in line with the market values in companies comparable in terms of size and business sector that operate in Italy.

The total remuneration of the Chief Executive Officer is composed of:

- a fixed component of 400,000 euros gross per annum, including Director's remuneration;
- a variable short term bonus (MBO) equal to 200,000 euros gross per annum if the objectives assigned in the score card are achieved at target level (100% of the bonus). The amount may be increased up to a maximum of 280,000 euros gross (140% of the bonus) if the objectives assigned are achieved at maximum level;
- company car for mixed use.

The pay mix and percentage of MBO on the fixed pay at the various levels of achievement of the objectives is described below.



The score card for the 2017 MBO assigned to the Chief Executive Officer was determined as follows:

- The EBITDA of the TIM Group, which acts as gate condition for access of the MBO incentive system (with the arrangements described in paragraph 3 for the operation of the gate)
- INWIT EBITDA
- cost efficiencies, measured through rental costs, to which a share of the amortisation of the CAPEXES to acquire land and surface rights is added
- development of the programme to create sites, measured by the numbers of remote units (small cell) and macro-sites created. This objective was measured in 2016 by the run rate¹, referred exclusively to the small cells².

The diagram below shows the score card of objectives assigned to the Chief Executive Officer.

OBJECTIVE	weight
1 TIM Group EBITDA (gate)	20%
2. INWIT EBITDA	30%
3. Rental Costs + (capex purchases of land and surface rights)/6	25%
5. No. of remote units or new macrosites created	25%
Total objectives	100%
The presence of INWIT profits posted in the financial statements is a necessary condition for the payment of the accrued bonus	

Like the other directors, the Chief Executive Officer has the insurance cover for civil liabilities (professional risks) known as a Directors & Officers policy.

¹ The run rate was calculated taking as reference the sum of the equipment and rental fees linearised over the lifetime of the contract on an annual basis.

² The change of indicator in 2017 is due to the focus on the objective in the 2017 - 2019 Plan, represented by the building programme (objective expressed in terms of the number of macro-sites and remote units to be built).

No severance¹ payments, stability pacts or non-competition obligations are applicable to the Chief Executive Officer.

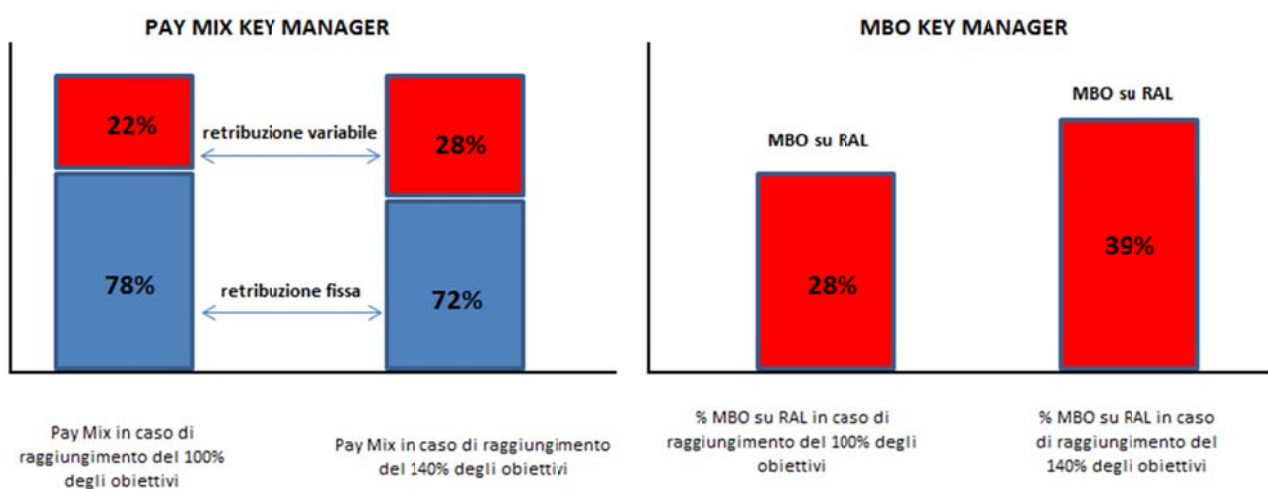
Remuneration of Key Managers with Strategic Responsibilities

In addition to the Chief Executive Officer, the following are Key Managers of the Company with Strategic Responsibilities:

- the Head of Business Management and Operations
- the Head of Business Support
- the Head of Finance & Administration.

The determination of the remuneration of key managers with strategic responsibilities, excepting the Chief Executive Officer (dealt with in the preceding paragraph) is developed by taking account of the individual's role and pay situation in terms of Gross Annual Remuneration and Global Annual Remuneration at Target², compared to the median pay data of the reference market.

The pay mix of the Key Managers is set out below.



The total amount of the bonus defined for the Key Managers for 2017 is 20% of their pay, if 100% of the target is reached, rising to a maximum of 39% of pay in case of achievement of 140% of the target.

Payment of the bonus is correlated with the achievement of the objectives defined in the MBO score card assigned to the Key Managers (with the arrangements described in paragraph 3 for the operation of the gate) as described below.

¹ These regulate the financial settlement in the event of early termination of the employment contract.

² The Global Annual Remuneration at Target (GART) includes fixed remuneration and the short term variable remuneration at target.

OBJECTIVES	KPIs	Weight Range
GROUP	<ul style="list-style-type: none"> TIM Group EBITDA (gate) 	20%
COMPANY	<ul style="list-style-type: none"> Inwit EBITDA 	Company and Departmental up to 50%
DEPARTMENTAL	<p>Reflect the specific activity of a subset of the organisation. For the Key Managers, depending on the role, they are:</p> <ul style="list-style-type: none"> rental costs + (capex purchases of land and surface rights)/6 number of remote units or new macrosites created trade receivables 	
PERFORMANCE MANAGEMENT	<ul style="list-style-type: none"> individual (with a weight of 20% for the Key Managers), correlated with the behaviour role of the single person with respect to the Group's skills model 	30%
<p>The presence of INWIT profits posted in the financial statements is a necessary condition for the payment of the accrued bonus</p>		

The Key Managers with strategic responsibilities are the recipients of the benefits provided under the policies of the TIM Group for employees categorised as executives, in addition to those provided in the National Collective Labour Agreement (CCNL) for Executives of Enterprises that produce Goods and Services. In detail, they include:

- a car for mixed private and company use, the established value of which is subject to tax and contributions as required by applicable laws. The vehicle category depends on the position held and the organisational responsibilities fulfilled by the executive;
- voluntary access to welfare and insurance services provided by the Fontedir (Fondo Pensione Complementare Dirigenti Gruppo TIM) and Assida (mutual voluntary association for complementary medical care for Executives);

- civil liability (professional risks) insurance, known as a Directors & Officers policy, underwritten by TIM and renewed annually. It covers all managers and members of the corporate bodies of subsidiaries, including external directorships designated by TIM.

No severance¹ payments, stability pacts or non-competition obligations exist between the Company and the Key Managers with strategic responsibilities.

5. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Remuneration Policy has been drafted by INWIT's Board of Directors in accordance with applicable laws and statutory regulations, as well as with its Corporate Governance Code.

The Shareholders' Meeting of 15 May 2015 established a maximum amount of 600,000 euros as the total annual remuneration for the Board of Directors pursuant to article 2389, subsection 1, of the Italian Civil Code, applicable for the three years of their term of office.

Non-executive Directors receive the remuneration resulting from the subdivision, as determined by the Board of Directors on 27 July 2015.

In determining this remuneration, the Board established that the Directors would be paid as follows:

- 75,000 euros gross per annum for the Chair of the Board of Directors;
- 45,000 euros gross per annum for each Non-Executive Director.

As for members of the Committees, it established the remuneration of:

- 20,000 euros gross per annum for each member of the Control and Risk Committee. The Chairman of the Committee is paid a fee of 25,000 euros gross per annum;
- 10,000 euros gross per annum for each member of the Nomination and Remuneration Committee. The Chairman of the Committee is paid a fee of 15,000 euros gross per annum.

The remaining part of the global remuneration, equal to Euro 20,000, was reserved for subsequent uses for committees and/or other special tasks. On the date of approval of this Report, this remaining amount has yet to be used.

In accordance with best practices, the remuneration of non-executive Directors does not include a variable component and is not therefore correlated with the Company's financial results.

¹ Agreements that regulate the financial settlement in the event of early termination of the employment contract.

Directors were also granted a reimbursement of expenses incurred in performing tasks connected with their position (e.g. travel tickets and accommodation).

The Directors benefit from civil liability (professional risks) insurance, known as a Directors & Officers policy, underwritten by TIM and renewed annually. It covers all managers and members of the corporate bodies of subsidiaries, including external directorships designated by TIM. The policy operates on a "claims made" basis, according to which a claim made by an insured person for the first time during the period the contract is in force must occur "during the period of time of the insurance" (art. 1917 of the Italian Civil Code), and thus independently of when the behaviour that originated the claim occurred.

For non-executive Directors there are no agreements that provide compensation in the event of early termination of their contract with INWIT.

6. *SUCCESSION PLAN FOR EXECUTIVE DIRECTORS AND KEY MANAGERS*

The Nomination and Remuneration Committee has promoted the preparation of the succession process for the Executive Directors and Key Managers that was approved by the Board. The definition of the succession plan and the related process to manage the replacement tables meets the objective of guaranteeing that business continuity risk is managed, critical organisational positions safeguarded and, last but not least, the managerial development of the best in-house talents.

Approval of the succession plan is coherent with the resolution made by the INWIT Board of Directors on 11 March 2016, which postponed decision-making on the plan to after the completion of investigations to be carried out during the 2016 financial year.

After a benchmarking exercise that considered the process adopted by Parent Company TIM, in addition to the best practices of the major Italian listed companies, the process was delineated, and the policy defined, specifying:

- the sphere of application of the process
- the objectives
- the beneficiaries
- the events for its application
- the detailed description of the phases, activities, timing and responsibilities of the various subjects involved in the succession planning and replacement table management process.

The succession plan for the Executive Directors and the replacement tables for the Chief Executive Officer and Key Managers were approved by the Board of Directors on 16 March 2017.

SECTION TWO: REMUNERATION SUMMARY FOR THE 2016 FINANCIAL YEAR

INTRODUCTION

This Remuneration Report illustrates the policy implemented by INWIT in 2016 with regard to the remuneration paid to the Board of Directors, Control Bodies and the Key Managers with Strategic Responsibilities, and provides a final statement of their remuneration.

PART 1

1. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

On 8 May 2015, the Board of Directors of INWIT, with the approval of the Board of Statutory Auditors, resolved on the remuneration package for the Chair and Chief Executive Officer, pursuant to art. 2389, subsection 3, of the Italian Civil Code, to apply for the three years of their term of office.

The remuneration package was determined in coherence with the mandates and powers attributed to him. To define the amount, the salary arrangements for Executive Director roles in companies comparable in size and business sector that operate in the domestic market were examined.

With the aforementioned resolution, the Chief Executive Officer was awarded:

- a fixed component of 400,000 euros gross per annum, also including remuneration as a member of the Board of Directors;
- a variable short term remuneration (MBO) equal to 200,000 euros gross per annum if the objectives assigned in the score card are achieved at target level (100% of the bonus). The amount may be increased up to a maximum of 280,000 euros gross (140% of the bonus) if the objectives assigned are achieved at maximum level.

As a non-monetary benefit, the Chief Executive Officer has been assigned a company car for mixed use.

The score card for the 2016 MBO approved by the Board of Directors envisaged the following objectives:

OBJECTIVE	WEIGHT
EBITDA	30%
Savings	30%
Revenues from hosting Third Parties (Other Licensed Operators, or OLOs)	25%
Run Rate of contracts signed for small cells	15%

For the EBITDA objective, there is a gate conditioning *payment*, represented by the value of "EBITDA-CAPEX net of extraordinary operations (that is, changes to the perimeter)".

The results for the 2016 financial year, approved by the Board of Directors in its meeting on 16 March 2017, led to the determination of a performance score of 88.49% on the percentage scale used.

The application of this score determines that the Chief Executive Officer accrued a bonus of €176,971, equivalent to 44% of the fixed annual gross pay, which will be paid during the first half of 2017.

The detailed analysis of the pay received in 2016 is shown in Tables 1 and 3B of Part 2 of this section. The Chief Executive Officer also has the insurance cover for civil liabilities (professional risks) known as a Directors & Officers policy, already explained in paragraph 4 of Section One.

2. REMUNERATION OF KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

In addition to the Chief Executive Officer, the following are Key Managers with strategic responsibilities

- Emilio Maratea, Head of the Business Management & Operations Department;
- Silvia Ponzoni, Head of the Business Support Department;
- Rafael Giorgio Perrino, Head of the Finance & Administration Department.

Ms Ponzoni, who has worked at INWIT since 1 October 2016, was identified as a Key Manager of the Company by resolution of the Board of Directors on 2 November 2016.

The total remuneration received by the Key Managers of the Company during 2016 was made up as follows:

- fixed gross annual salary as an employee;
- short-term variable annual remuneration linked to participation in the Company MBO;

- non-monetary benefits envisaged for TIM Group's Executives.

The results for the 2016 financial year, approved by the Board in its meeting on 16 March 2017, led to the determination of a performance score of 98.98% on the percentage scale used.

The application of this score determined that the total bonus accrued was €70,254¹, which will be paid during the first half of 2017.

For details of the 2016 remuneration received by the Key Managers, see the information set out in Tables 1 and 3B of Part Two.

3. REMUNERATION OF NON-EXECUTIVE DIRECTORS

In the 2016 financial year, the non-executive Directors have received the fixed annual remuneration approved by the Shareholders' Meeting on 15 May 2015, as apportioned by resolution of the Board of Directors on 27 July 2015:

- 75,000 euros gross per annum for the Chair of the Board of Directors;
- 45,000 euros gross per annum for each non-executive Director;
- 20,000 euros gross per annum for each member of the Control and Risk Committee. The Chairman of the Committee is paid a fee of 25,000 euros gross per annum;
- 10,000 euros gross per annum for each member of the Nomination and Remuneration Committee. The Chairman of the Committee is paid a fee of 15,000 euros gross per annum.

The detailed analysis of the remuneration received pro-quota during the period in which the Directors have held office is shown in Table 1 of Part Two this section.

The members of the Board of Directors also have the insurance cover for civil liabilities (professional risks) known as a Directors & Officers policy, explained in paragraph 5 of Section One.

For non-executive Directors there are no agreements that provide compensation in the event of early termination of their contract with the company INWIT.

4. REMUNERATION OF MEMBERS OF THE CONTROL BODIES

The current Board of Statutory Auditors, appointed on 14 January 2015, at the time the Company was incorporated, is composed of: Enrico Maria Bignami (Chairman) and Standing Auditors Umberto La Commara e Michela Zeme. The alternate Auditors are Guido Paolucci and Elisa Menicucci.

¹The bonus paid takes account of the re-proportioning applied for Ms Ponzoni, in relation to her length of service in the role.

The Shareholders' Meeting on 15 May 2015 determined that the gross annual remuneration of the Board of Statutory Auditors should be as follows: 45,000 euros for the Chair and 30,000 euros for each Standing Auditor, plus reimbursement of documented expenses incurred. This sum must be understood to include the fee for acting as Supervisory Body pursuant to legislative decree no.231/2001.

The detailed analysis of the fees received in the 2016 financial year is shown below in Table 1 of Part Two of this section.

PART 2

TABLES OF COMPENSATION PAID IN 2016

Detailed summary of the remuneration paid during the relevant financial year in any respect and in any form by the company and by subsidiary and affiliated companies

The following table shows, in alphabetical order, the remuneration paid to Directors, Statutory Auditors and, at aggregate level, Key Managers with Strategic Responsibilities. The remuneration received from subsidiaries and/or affiliated companies, except those waived or paid back to the Company, are disclosed separately. The table includes all persons who have held these positions during the year, including for a fraction of a year.

In particular:

- the "Fixed remuneration" column lists, on an accrual basis, the fixed emoluments and remuneration from work as an employee earned in the year, before welfare contributions and taxes payable by the employee. The details of the remuneration received are provided in a note, with any employment-related compensation payments shown separately;
- the column "Remuneration for attendance at Committees" lists the remuneration on an accrual basis to the Directors for attendance at meetings of Board Committees. The Committees which the director takes part in are indicated in a separate note;
- the column "Variable non-equity remuneration" lists, under "Bonuses and other incentives", the incentives paid in the year against the accrual of the rights to such after audit and approval of the related performance results by the competent corporate bodies, as specified, with greater detail, in Table "Monetary incentive plans for Directors and Key Managers with Strategic Responsibilities"; the column "Profit sharing" is blank, because no forms of profit sharing are envisaged;
- the column "Non-monetary benefits" lists, on an accrual basis, the value of the fringe benefits assigned, indicating whether or not they are taxable;
- the column "Other remuneration" lists, on an accrual basis, all of any other remuneration deriving from other services supplied;
- the "Total" column indicates the sum of the amounts of the previous items;
- the column "Fair value of equity granted" is blank, since no stock option plans are envisaged;
- the column "Compensation for end of office or termination of employment" is blank, since this is not envisaged.

TABLE 1: Remuneration paid to members of the management and control bodies and to Key managers with strategic responsibilities.

Compensi corrisposti ai componenti degli organi di amministrazione

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Francesco Profumo	Presidente	01/01/2016-31/12/2016	approvazione bilancio 2017	75.000						75.000		
Oscar Cicchetti	Amministratore Delegato	01/01/2016-31/12/2016	approvazione bilancio 2017	400.000		176.971		3.760		580.731		
Paola Maria Gina Schwizer ^(I)	Consigliere	01/01/2016-31/12/2016	approvazione bilancio 2017	45.000	29.986					74.986		
Primo Ceppellini ^(II)	Consigliere	01/01/2016-31/12/2016	approvazione bilancio 2017	45.000	20.000					65.000		
Alessandro Foti ^(II)	Consigliere	01/01/2016-31/12/2016	approvazione bilancio 2017	45.000	20.000					65.000		
Cristina Finocchi Mahne ^(III)	Consigliere	01/01/2016-31/12/2016	approvazione bilancio 2017	45.000	14.822					59.822		
Paola Bruno ^(IV)	Consigliere	01/01/2016-31/12/2016	approvazione bilancio 2017	45.000	10.000					55.000		
Giuseppe Gentili ^(V)	Consigliere	10/06/2016-31/12/2016	Assemblea aprile 2017	25.274	1.644					26.918		
Elisabetta Colacchia ^(VI)	Consigliere	01/01/2016-31/12/2016	approvazione bilancio 2017	45.000	3.397					48.397		
Piergiorgio Peluso ^(VII)	Consigliere	01/01/2016-31/12/2016	approvazione bilancio 2017	45.000						45.000		
Venanzio Iacozzilli ^(VIII)	Consigliere	01/01/2016-31/12/2016	approvazione bilancio 2017	45.000						45.000		
Francesca Petralia ^(IX)	Consigliere	01/01/2016-03/05/2016		15.288						15.288		
(I) Compensi nella società che redige il bilancio				875.562	99.849	176.971		3.760		1.156.142		
(II) Compensi da controllate e collegate												
(III) Totale				875.562	99.849	176.971		3.760		1.156.142		

NOTE

(I): Presidente del Comitato per il Controllo e i Rischi; componente del Comitato per le Nomine e la Remunerazione dal 04/05/2016 al 01/11/2016.

(II): Componente del Comitato per il Controllo e i Rischi.

(III): Presidente del Comitato per le Nomine e la Remunerazione dal 14/01/2016.

(IV): Componente del Comitato per le Nomine e la Remunerazione.

(V): Cooptato nel Consiglio di Amministrazione in data 10/06/2016. Componente del Comitato per le Nomine e la Remunerazione dal 02/11/2016.

(VI): Componente indipendente del CdA e componente del Comitato per le Nomine e la Remunerazione dal 01/01/2016 al 03/05/2016. Dal 16/05/2016 il compenso fisso da Consigliere (pari per il periodo a euro 28.356) non viene percepito dall'interessata ma riversato a Telecom Italia.

(VII): Il "Compenso fisso" non viene percepito dall'interessato ma riversato a Telecom Italia.

(VIII): Il "Compenso fisso" non viene percepito dall'interessato ma riversato a Telecom Italia.

(IX): Componente del CdA dal 01/01/2016 al 03/05/2016. Il "Compenso fisso" non è stato percepito dall'interessata ma riversato a Telecom Italia.

Compensi corrisposti ai componenti degli organi di controllo

(A) Nome e cognome	(B) Carica	(C) Periodo per cui è stata ricoperta la carica	(D) Scadenza della carica	(1) Compensi fissi	(2) Compensi per la partecipazione a comitati	(3) Compensi variabili non equity		(4) Benefici non monetari	(5) Altri compensi	(6) Totale	(7) Fair Value dei compensi equity	(8) Indennità di fine carico o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Enrico Maria Bignami	Presidente Collegio sindacale e Organismo di Vigilanza	01/01/2016-31/12/2016	approvazione bilancio 2017	45.000						45.000		
Umberto La Commara	Sindaco effettivo e membro Organismo di Vigilanza	01/01/2016-31/12/2016	approvazione bilancio 2017	30.000						30.000		
Michela Zeme	Sindaco effettivo e membro Organismo di Vigilanza	01/01/2016-31/12/2016	approvazione bilancio 2017	30.000						30.000		
(I) Compensi nella società che redige il bilancio				105.000						105.000		
(II) Compensi da controllate e collegate												
(III) Totale				105.000						105.000		

Compensi corrisposti ai dirigenti con responsabilità strategica

(A) Nome e cognome	(B) Carica	(C) Periodo per cui è stata ricoperta la carica	(D) Scadenza della carica	(1) Compensi fissi	(2) Compensi per la partecipazione a comitati	(3) Compensi variabili non equity		(4) Benefici non monetari	(5) Altri compensi	(6) Totale	(7) Fair Value dei compensi equity	(8) Indennità di fine carico o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Dirigenti con Responsabilità Strategiche												
(I) Compensi nella società che redige il bilancio				269.583		70.254		13.538		353.375		
(II) Compensi da controllate e collegate												
(III) Totale				269.583		70.254		13.538		353.375		

I compensi fanno riferimento a coloro che nel corso dell'esercizio 2016 hanno ricoperto, anche per una frazione di periodo, la carica di Dirigente con Responsabilità Strategiche (3 dirigenti). La dr.ssa Ponzoni è stata nominata dirigente con responsabilità strategiche dal CdA del 02/11/2016. I compensi corrispondono alle retribuzioni da rapporto di lavoro dipendente al lordo degli oneri previdenziali e fiscali a carico del dipendente.

TABLE 2: Stock options assigned to members of the board of directors and to key managers with strategic responsibilities.

At the present time, the Company has no Stock Option plans.

TABLE 3: Incentive plans for members of the board of directors and key managers with strategic responsibilities.

- TABLE 3A: Incentive plans based on financial instruments, other than stock options, for members of the board of directors and key managers with strategic responsibilities

At the present time, the Company has no incentive plans based on financial instruments.

- TABLE 3B: Monetary incentive plans for members of the board of directors and key managers with strategic responsibilities

Piani di incentivazione monetari a favore dei componenti dell'organo di amministrazione e controllo

A Cognome e nome	B Carica	(1) Piano	(2) Bonus dell'anno			(3) Bonus di anni precedenti			(4) Altri bonus
			(A)	(B)	(C)	(A)	(B)	(C)	
			Erogabile/Erogato	Diferito	Periodo di differimento	Non più erogabili	Erogabile/Erogati	Ancora differiti	
Oscar Cicchetti	Amministratore Delegato	MBO 2016 delibera del C.d.A. INWIT dell'11 marzo 2016	176.971						
(I) Compensi nella società che redige il bilancio			176.971						
(II) Compensi da controllate e collegate									
(III) Totale			176.971						

Piani di incentivazione monetari a favore dei dirigenti con responsabilità strategiche

A	B	(1)	(2)			(3)			(4)
Cognome e nome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri bonus
			(A)	(B)	(C)	(A)	(B)	(C)	
			Erogabile/Erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/Erogati	Ancora differiti	
Dirigenti con responsabilità strategiche		MBO 2016 Lettera del 27/04/2016 e del 07/11/2016	70.254						
(I) Compensi nella società che redige il bilancio			70.254						
(II) Compensi da controllate e collegate									
(III) Totale			70.254						

I Bonus fanno riferimento a coloro che nel corso dell'esercizio 2016 hanno ricoperto, anche per una frazione di periodo, la carica di Dirigente con Responsabilità Strategiche (3 dirigenti).
La dr.ssa Ponzone è stata nominata dirigente con responsabilità strategiche dal CdA del 02/11/2016.

SHARES OWNED BY MEMBERS OF THE BOARD OF DIRECTORS AND CONTROL BODY AND BY OTHER KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

Pursuant to article 84-*quater* of the Regulation implementing Legislative Decree No. 58 of 24 February 1998, adopted by Consob Resolution No. 11971 of 14 May 1999 and subsequent amendments, the following table shows the shareholdings owned by the Directors, Statutory Auditors and key managers with strategic responsibilities in INWIT S.p.A. and in its subsidiaries.

Board of Directors

Nome e cognome	Società partecipata	Categoria Azioni	Numero azioni possedute alla data di nomina	Numero azioni acquistate nel corso dell'esercizio 2016	Numero azioni vendute nel corso dell'esercizio 2016	Numero azioni possedute alla fine dell'esercizio 2016 (o alla data di cessazione dalla carica se intervenuta prima)
Francesco Profumo			//	//	//	//
Oscar Cicchetti			15.000	23.250	//	38.250
Paola Maria Gina Schwizer			//	//	//	//
Primo Ceppellini			//	//	//	//
Alessandro Foti			//	//	//	//
Cristina Finocchi Mahne			//	//	//	//
Elisabetta Colacchia			//	//	//	//
Giuseppe Gentili			//	//	//	//
Paola Bruno			//	//	//	//
Piergiorgio Peluso			//	//	//	//
Venanzio Iacozzilli			//	//	//	//

Board of Statutory Auditors

Nome e cognome	Società partecipata	Categoria Azioni	Numero azioni possedute alla data di nomina	Numero azioni acquistate nel corso dell'esercizio 2016	Numero azioni vendute nel corso dell'esercizio 2016	Numero azioni possedute alla fine dell'esercizio 2016 (o alla data di cessazione dalla carica se intervenuta prima)
Enrico Maria Bignami			//	//	//	//
Umberto La Commara			//	//	//	//
Michela Zeme			//	//	//	//

Key managers with strategic responsibilities

Nome e cognome	Società partecipata	Categoria Azioni	Numero azioni possedute alla data di nomina	Numero azioni acquistate nel corso dell'esercizio 2016	Numero azioni vendute nel corso dell'esercizio 2016	Numero azioni possedute alla fine dell'esercizio 2016 (o alla data di cessazione dalla carica se intervenuta prima)
Silvia Ponzoni			//	//	//	//
Rafael Giorgio Perrino			//	//	//	//
Emilio Maratea			//	//	//	//

GLOSSARY

EXECUTIVE DIRECTORS: The directors to whom operational or management powers have been attributed, as well as those who were attributed particular responsibilities by the Board of Directors.

NON-EXECUTIVE DIRECTORS: The directors to whom operational or management powers have not been attributed, as well as those who were not attributed particular responsibilities by the Board of Directors.

Independent Directors: Directors who meet the independence requirements as set out in the INWIT Governance Code.

KEY MANAGERS OR KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES: the subjects, including Directors, who have the power and responsibility, directly or indirectly, for planning, managing and controlling the activities of the Company.

Management: all the heads of company departments identified through organisational decisions.

TOWER COMPANY: infrastructure operators that operate in the sector of infrastructure for electronic communications, and, more specifically, that offer integrated hosting services at their own sites for systems and transceivers owned by their customers.

Tenancy Ratio: one of the principal performance indicators for a Tower Co, representing the number of Tenants present on sites.

KEY PERFORMANCE INDICATOR (KPI): the indicator identified to measure performance or the achievement of predetermined objectives.

MANAGEMENT BY OBJECTIVES (MBO): the short term incentive plan that entitles the subjects involved to receive an annual reward in cash (bonus), based on the achievement of objectives established in advance and agreed with each beneficiary of said plan.

SCORE CARD: objectives card used in the MBO.

Gate: "gate condition" set in the MBO, which if not met means that the bonus cannot be paid.

TARGET LEVEL/VALUE: the target performance level set for an objective in an incentive system.

INCENTIVE (OR BONUS) AT TARGET: the bonus that can be obtained by the individual beneficiary upon achievement of the target performance level established by the objectives.

PERFORMANCE MANAGEMENT: a system for assessing the contribution made by an individual, inspired by international best practice and based on the fundamental principle that enterprise contribution is sustained by performance, individual merit, and adherence to a skills model adopted in the TIM Group.

GROSS ANNUAL REMUNERATION (GAR): the gross annual remuneration paid, including only the fixed elements of remuneration for subordinate employment, excluding benefits granted as a consequence of

the employment and any sums paid on an occasional basis, as reimbursement of expenses, as well as any incentive and variable component provided it is defined as guaranteed and/or paid as a lump sum or continuously, reiterated or deferred, of the share of the Severance Fund and any compensation required by law and the applicable collective employment contract.

PAY MIX: the composition of the individual remuneration package, consisting of fixed remuneration, short term variable remuneration and medium/long term variable remuneration.

JOB EVALUATION: a method that measures the value or weight of the positions inside an organisation, expressed in points or grades.

Directors and Officers Policy (D&O policy): insurance cover against civil liability (professional risks) regarding the entire management of INWIT and the members of the corporate bodies.