



TIM GROUP

Infrastrutture Wireless Italiane S.p.A.

INWIT

REPORT ON REMUNERATION 2019

article 123-ter of Consob Regulation no. 58/1998

Report approved by the Board of Directors at its meeting of 18 February 2019

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INTRODUCTION

This report (the “Report”), approved by the Board of Directors on 18 February 2019 at the proposal of the Nomination and Remuneration Committee and prepared in accordance with Model 7-bis in Annex 3A to the Regulation adopted by Consob with decision no. 11971/1999 as amended (the “Issuers' Regulation”), contains two sections:

- the first section illustrates the remuneration policy (the “Policy”) applicable to 2019 for Infrastrutture Wireless Italiane S.p.A. (“INWIT” or the “Company”) for the remuneration of Directors and Key Managers, highlighting the principles and objectives pursued, the roles involved, and the planning and implementation criteria that were followed;
- the second section illustrates the remuneration paid in 2018 to the Directors, Auditors and Key Managers, highlighting the cohesion with the previous year’s remuneration policy.

The Report also contains the shareholdings held by the Directors and Key Managers.

The Policy described in the first section of the Report has been drawn up in accordance with the recommendations on remuneration contained in the Self Governance Code of Borsa Italiana S.p.A. (the “Self Governance Code”), last amended in July 2018.

The Report is sent to the Italian stock exchange and is available to the public at the company’s offices and on its website, by the 21st day prior to the date of the meeting called to approve the financial statements for 2018. The Meeting is asked to make a non-binding decision on section 1 of the Report, in accordance with the legal requirements.

INWIT

Infrastrutture Wireless Italiane S.p.A. (“INWIT” for short, or the “Company”) operates in Italy in the field of electronic communications infrastructure, and specifically infrastructure devoted to hosting equipment for radio broadcasting, telecommunications, and television and radio signals broadcasting.

INWIT operates in the sector as a result of the transfer from TIM in March 2015 (effective 1 April 2015) of a business unit focused mainly on activities related to the construction and management of the sites' passive infrastructures, generally consisting of civil structures (such as towers, pylons and poles) and technological systems, necessary to host the transceiver equipment owned by mobile operators and other radio service operators. The Company also offers innovative new services such as backhauling and cellular micro coverage.

The infrastructural operators working in this industry are also called tower companies or tower operators. In this context, INWIT stands out as the largest Italian tower operator in terms of number of sites managed, with a special focus on mobile services (approximately 11,000 distributed nationwide).

The results for 2018 confirmed the Company's solid growth path.

The priority objective of the “low teens” growth in EBITDA was reached through growth in revenues and improving cost efficiency. The number of customers choosing INWIT infrastructure has risen, with the co-tenancy ratio at approximately 1.9x (in 2015 the ratio was 1.5x); The business development initiatives continued with the construction of major new sites and infrastructure services such as backhauling and cellular micro coverage; in terms of efficiency, actions continued to reduce leasing costs which represented 80% of the company's total costs.

The improvement program relates to the whole organization: business processes were again certified according to ISO 9001:2015; a personnel development plan was implemented, expanding the workforce to 117 members of staff (97 in 2017), with the focus on sourcing qualified roles in engineering and marketing, rebalancing the gender gap and lowering the average age; work also continued on training staff in accordance with business and corporate governance requirements.

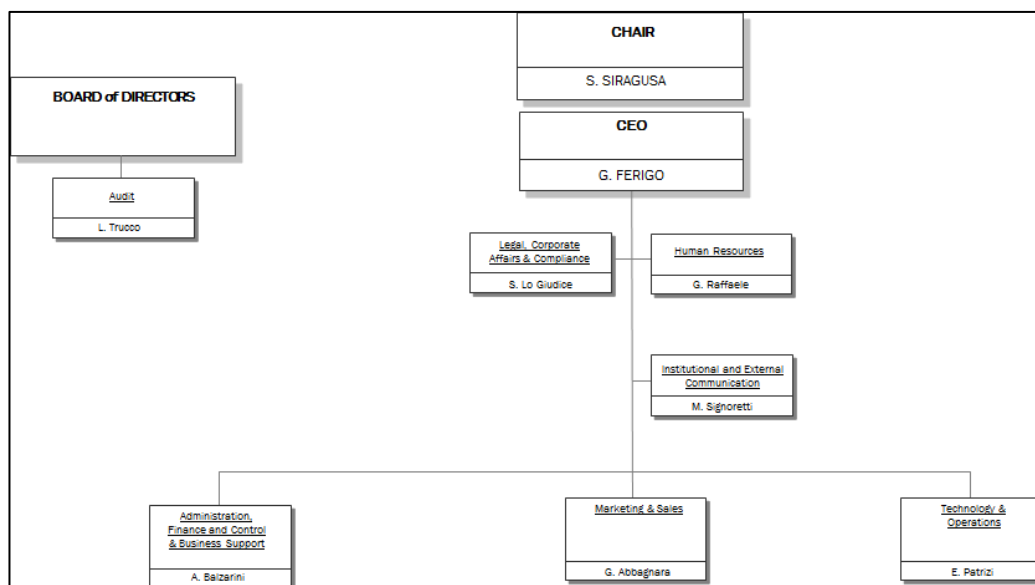
ORGANIZATIONAL STRUCTURE AND KEY MANAGERS

The organizational structure was reviewed in the second half of 2018 in order to set up a function dedicated entirely to offer and sales processes. Further measures related to the staff departments, in particular the *business support*, legal and external communications areas. The following departments report to the CEO:

- **Administration, Finance, Control & Business Support** which is responsible for planning and control processes, administration, accounting and finance, preparing the financial statements, fiscal obligations, relations with investors and the financial community, and risk management. This department is also responsible for procurement, and manages business development initiatives;
- **Legal, Corporate Affairs & Compliance**, which protects the Company legally, by providing legal advice, assistance with preparing, negotiating and executing contracts, management of disputes and litigation. The Department also handles corporate affairs, provides support to the corporate bodies, manages the meetings of shareholders, fulfills the legal requirements with the financial markets regulators, and compliance activities;
- **Human Resources**, which assists business departments in reaching their objectives, through its people management and development, education, rewards and “people caring” policies, and implementing the organizational setups. The HR Department also supervises health, safety and accident prevention issues, industrial relations and organizational processes;
- **Institutional and External Communication** which is responsible for external relations and communications with the media, central and local institutional bodies;
- **Marketing & Sales**, which in collaboration with Technology & Operations, is responsible for setting the offers and pricing for traditional tower hosting services, and innovative services such as cellular micro coverage, backhauling and the Internet of Things. This department is also responsible for managing pre- and post-customer sales, also relying on business partners for the acquisition of locations and checking of coverage.
- **Technology & Operations**, which in collaboration with Marketing & Sales is responsible for technology scouting, enabling the development of new marketable services, the planning and realization of macro sites, the realization of cellular micro coverage and the maintenance and asset management of the company’s sites and production assets. This department also optimizes leasing costs and carries out information technology activities.

The Audit function, which reports to the Board of Directors, defines the audit plans, carries out the planned and requested audits, prepares the audit reports and monitors the implementation of plans to improve the internal control system.

The organizational structure of INWIT is shown below (available at www.inwit.it).



INWIT's Key Managers with Strategic Responsibilities are:

KEY MANAGER	ORGANIZATIONAL STRUCTURE
ANDREA BALZARINI	HEAD OF ADMINISTRATION, FINANCE, CONTROL & BUSINESS SUPPORT
GABRIELE ABBAGNARA*	HEAD OF MARKETING & SALES
ELISA PATRIZI**	HEAD OF TECHNOLOGY & OPERATIONS

* Key Managers of the Company since 18 February 2019; the previous head of Marketing & Sales, Emilio Maratea, is no longer classified as a key manager since that date.

** Key Manager of the Company since 6 November 2018; the head of Administration Control & Risk Management, Rafael Perrino, is no longer classified as a key manager since that date.

On 31 December 2018, INWIT had a workforce of 117 employees.

SECTION ONE: 2019 REMUNERATION POLICY

1. EXECUTIVE SUMMARY

The objectives of INWIT's 2019 remuneration policy are promoting the company's growth, fostering the engagement of management by aligning their interests and actions with strategies, helping to create value for shareholders, and protecting the principles of fairness within the company, including gender equality. All this is in line with the guidelines of the parent company TIM S.p.A.

The pay components are the fixed remuneration, variable short-term, and long-term remuneration. These components are appropriately balanced so that the fixed component reflects the responsibilities given to management while the variable quota is linked to the fulfillment of business targets and is capped on that basis.

The 2019 remuneration policy contains the following changes:

- individual salaries are aligned with the market practice (median) and this is differentiated according to a system of salary bands, which take into account the following criteria: performance, seniority level, market exposure, the profile of the role, and strategic know-how;
- to reward significant performance or important results connected to extraordinary projects or actions not included in routine activities, a "one-off" bonus has been introduced – this is not paid to Key Managers.
- a minimum level is introduced in the MBO system for the gate objective equal to 95% for the CEO and 90% for the other managers; a payout scale of 50 – 100 – 150 is also applied (instead of the previous scale of 70 – 100 – 140). This bonus is linked to financial/quantitative targets and the section on Performance Management is now obsolete.

The logic and characteristics of the various components for the roles of CEO and Key Managers are summarized below.

Remuneration elements	Criteria	Recipients
Fixed remuneration	<ul style="list-style-type: none"> This is based on the complexity of the role It is compared with the external market benchmarks to ensure competitiveness of labor costs and to ensure, where appropriate, progressive alignment of the individual positioning with the target remuneration It takes into account the performance, seniority, market exposure, importance of the position held and strategic know-how 	<ul style="list-style-type: none"> CEO: the Board meeting of 10 May 2018 resolved an annual gross salary of €340,000 gross per annum as remuneration for the employment relationship as General Manager Key Managers: remuneration is commensurate with the role
Short-term variable remuneration	<ul style="list-style-type: none"> Is commensurate with the role It is defined as a percentage of the fixed salary (gross annual salary) Is subject to comparison through market benchmarks Is linked to the achievement of pre-determined annual economic-financial and quantitative-management objectives Is subjected to a gate Envisages a maximum level of disbursement, with a cap equal to 150% of the target bonus Envisages a clawback clause 	<ul style="list-style-type: none"> CEO: the Board meeting of 10 May 2018 resolved short-term variable remuneration (MBO) equal to 50% of the fixed remuneration in the amount of €170,000 gross per annum on target; the short-term variable is in part (80%) by way of remuneration for the employment relationship and, for the remainder, by way of remuneration for the office of Chief Executive Officer, pursuant to article 2389, paragraph 3, of the Italian Civil Code Key Managers: the gross on-target value of short-term variable remuneration is equal to 30% of the fixed salary
Long-term variable remuneration	<ul style="list-style-type: none"> It is commensurate with the role and defined as a percentage of the fixed salary (gross annual salary) It provides for the assignment of the right to receive free shares, conditional upon the achievement of performance parameters (Performance Share instrument) It has a three-year horizon, consistent with the Business Plan Envisages a maximum level of disbursement, with a cap equal to 150% of the target bonus Envisages a lock-up period Envisages a clawback clause Is subject to comparison through the market benchmarks of the selected market 	<ul style="list-style-type: none"> CEO: the Board meeting of 10 May 2018 resolved long-term variable remuneration - allocated entirely by way of remuneration for the office of Chief Executive Officer, pursuant to article 2389, paragraph 3, of the Italian Civil Code - consisting of the assignment of the right to receive, for each year of the plan, an on-target number of INWIT shares equal to 50% of the gross annual salary Key Managers and other important managers: consists of the assignment of the right to receive, for each year of the plan, an on-target number of INWIT shares equal to 25% of the gross annual salary
Benefits/welfare	<ul style="list-style-type: none"> Insurance policies (accident, death, permanent disability) Coverage of health care costs Supplementary pension Company car Health check-ups 	Services offered to everyone (welfare) or in relation to the role occupied (benefits) aimed at increasing individual and family well-being from an economic and social point of view

2. GOVERNANCE IN THE REMUNERATION PROCESS

INWIT's remuneration policy is set in line with the governance model adopted by the Company, and with the recommendations of the Italian stock exchange self-governance code, in accordance with the applicable provisions and code of ethics of the TIM Group, which has been adopted and approved by the Company.

Following a decision by the Board of Directors on 27 February 2015, INWIT adopted the principles of self-governance which were then amended following decisions on 21 December 2015, 2 November 2016 and 23 July 2018. In accordance with the procedure for the carrying out of related party transactions (available at www.inwit.it in the Governance section), resolutions on the remuneration of the directors and key managers, taken in accordance with the remuneration policy examined by the Meeting of Shareholders, are considered non-significant operations and as such are excluded from the application of Consob Regulation number 1722/2010.

The remuneration policy is defined in a transparent process that involves the following bodies.

Meeting of Shareholders

Meeting of Shareholder	
▪	Expresses itself annually, through a 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, at the 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.

Board of Directors

The Meeting of Shareholders of 13 April 2018 appointed the current Board of Directors, and set the number of members at 11 (15 in the previous term of office). Six of that number (Francesca Balzani, Enrico Maria Bignami, Laura Cavatorta, Luca Aurelio Guarna, Filomena Passeggio and Secondina Giulia Ravera) meet the independence criteria stipulated in legislative decree no. 58/1998 and in the code of self-governance.

Board of Directors	
▪	Approves the Remuneration Report pursuant to Article 123-ter of the CLF, at the proposal of the Nomination and Remuneration Committee
▪	Approves the subdivision of the total remuneration assigned by the Meeting of Shareholders to the Board of Directors - in the event the Shareholders have not taken any decision on it - 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 Meeting of Shareholders on any remuneration plans providing for the assignment of financial instruments to Directors and employees, including Key Managers with Strategic Responsibilities.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is made up of the non-executive independent directors Enrico Maria Bignami, Laura Cavatorta and Filomena Passeggio, appointed by the Board of Directors on 13 April 2018, following the renewal of the Board of Directors for 2018-2020. Filomena Passeggio was appointed chair of the committee on 8 May 2018.

Nomination and Remuneration Committee	
▪	Proposes the criteria for allocating the total annual compensation established by the Meeting of Shareholders 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
▪	Submits proposals or issues 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; monitors the implementation of decisions adopted by the Board of Directors and verifies, 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 is unavailable, by another Statutory Auditor designated by him.

In 2018, the Nomination and Remuneration Committee met 9 times (the Committee formed in April 2018 held 6 meetings). They were attended by all members with an attendance rate of 100%.

The Committee's work (since its formation until the drafting of this report) with the support of Human Resources with regard to compensation aspects, covered the following issues:

- preparing the proposed distribution of the annual remuneration of the Board of Directors, authorized by the Meeting of Shareholders at the meeting on 13 April 2018, following the election of the Board of Directors for 2018-2020;
- setting the remuneration of the Chair, and of the CEO and Director General;
- proposing the remuneration to members of the Strategic Committee (formed in July 2018) and for the Lead Independent Director (elected in May 2018);
- deployment of the long-term share ownership plan for 2018 – 2020, formulating among other things the proposed allocation of *Performance Shares* to the CEO;

- finalizing the variable short-term remuneration for 2018, for the CEO, the Key Managers and the head of Audit;
- examining and defining the 2019 remuneration policy;
- analyzing the short-term bonus targets proposed by Human Resources for 2019 with particular reference to the score card awarded to the CEO, the Key Managers and, in agreement with the Control and Risks Committee, to the head of Audit;
- preparation of the 2019 Report on Remuneration;
- monitoring and checking the effective implementation of the succession plan for the CEO and the succession plans for the front line executives and Key Managers;
- carrying out the Board review for 2018, after defining the conditions for its implementation, and selecting a consulting firm;

Board of Statutory Auditors

The Board of Statutory Auditors expresses the opinions required by current legislation on the proposed remuneration of Executive Directors holding specific offices. As required by the Company's Corporate Governance Principles, the Board of Statutory Auditors also expresses itself on the remuneration of the heads of the control departments and supervises the correct implementation of the self-regulation rules regarding resolutions on remuneration and other benefits.

In defining the remuneration policies, Human Resources:

- proposes the overall structure of the managerial bonus system to the Nomination and Remuneration Committee identifying the manner of functioning and targets to be set;
- keeps the Nomination and Remuneration Committee up to date on work carried out in connection with the remuneration policy for Key Managers, determined by the Board of Directors;
- analyzes and monitors the application and cohesion of the overall remuneration policy, compared to what was agreed and proposes any corrective measures;
- manages and implements the succession plans as part of the succession planning process for the CEO and the Key Managers;
- provides the Nomination and Remuneration Committee with technical support and all the information necessary for performing its tasks.

3. 2019 REMUNERATION POLICY TOOLS AND GUIDELINES

INWIT's remuneration policy is designed to:

- Support the fulfillment of business objectives by promoting the creation of value for stakeholders and aligning the interests and actions of Management with the strategies set by the Company;
- Assuring cohesion between the remuneration of management and the company's performance, in line with shareholders' expectations;
- Strengthening management's engagement by recognizing the importance of its role, the results achieved, and always using as benchmarks the external market, necessary competitiveness on the job market, and internal equality of pay with regard to the gender gap.

FIXED REMUNERATION

This component is based on the complexity of the role entrusted to the Manager. For that purpose, INWIT introduced a role evaluation system based on the KF HAY method. This compares the remuneration of management against the median data observable in the external market. From 2019 the company intends to manage its remuneration policy in terms of the fixed component using a system of salary bands, which consider different criteria including performance, seniority level, the profile of the role, and the individual's strategic know-how.

To reward significant performances in relation to specific projects, a one-off bonus tool is used, for managers other than Key Managers.

SHORT-TERM VARIABLE REMUNERATION (MBO)

Management by Objectives (MBO) is a short-term annual variable incentive intended to support the fulfillment of the Company's annual objectives by setting challenging targets.

The recipients of the variable component are the CEO, the Key Managers and all the heads of the company departments, for a total of 24 managers.

The target reward is determined as a percentage of the fixed remuneration: this percentage is set on the basis of the complexity of the role, and the alignment with the salary data observable in the external market.

The targets are set according to quantitative indicators that represent and are consistent with the strategic priorities defined in the industrial plan, measured according to pre-established and objective criteria; in line with previous years, the objectives have a target value which is equal to the value of the budget and the minimum and maximum value, which vary depending on the specific objective.

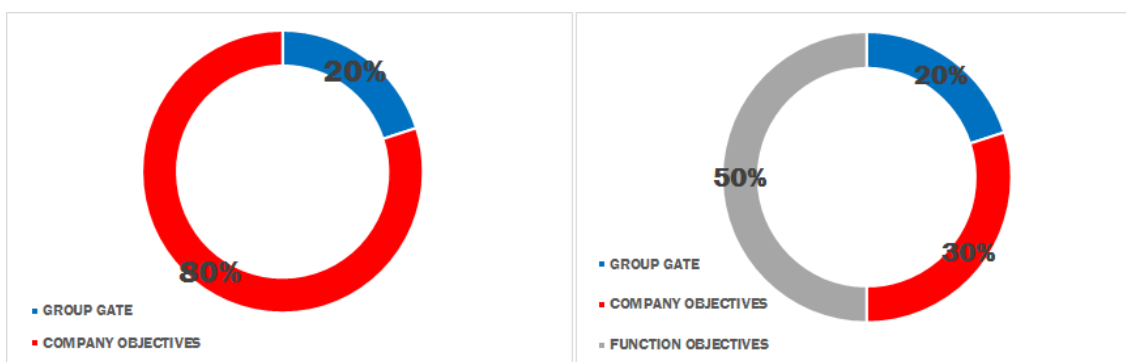
The *score card* has the following objectives:

- EBITDA of the TIM Group, which acts as a gate for the incentive system. If the Group objective is not met, the INWIT Board of Directors will pay the variable component according to the models used to calculate

the MBO, after checking that the objective was not reached for reasons attributable to INWIT (this will consider the extent to which the Company reached its budget targets), and taking into account the overall management performance which can also be measured against the other set targets.

- Business objectives: these relate to the business as a whole and their fulfillment depends on the entire organization;
- Functional objectives: these reflect the specific activity of a subgroup of the organization, in other words a specific department.

The weightings between the various objectives set for management are shown in the following graphs:



Objectives of CEO

Objectives of Key Managers

Each target on the MBO score card is measured individually, so different combinations of the target fulfillment are possible. To assess these, the linear interpolation mechanism will be used.

The payout scale is set in a range of between 50% of the bonus if the minimum target level is reached, 100% of the bonus if the target is reached, up to a cap of 150% of the bonus for results that exceed the maximum level. Below is the MBO payout scale, assuming that all the targets reach, respectively, the below-minimum, minimum, target and maximum levels.

Performance Levels	Parameterized scale
All objectives below minimum level	0%
All objectives at minimum level	50%
All objectives at target level	100%
All objectives at maximum level	150%

All the KPIs on the score card are finalized after the closure of the 2019 financial year, therefore the bonus resulting from the finalized MBO is paid in the following year.

In line with last year the clawback mechanism is applied to the MBO.

LONG-TERM VARIABLE REMUNERATION (LTI)

The ordinary Meeting of Shareholders held on 13 April 2018 approved the long-term incentive plan for 2018-2020 (the “Plan” or “LTI”) for the CEO, Key Managers and other managers in critical roles, for a total of six managers.

With this newly introduced tool the Company intends to:

- strengthen the alignment between the interests of the recipient managers with those of shareholders, by linking remuneration to specific performance targets, the fulfillment of which is closely linked to the improvement of the Company’s performance and the growth in its value over the long term;
- help to raise the loyalty levels of recipient managers, by developing their engagement, in reaching the growth targets set in the industrial plan for the next three years;
- align the Company’s remuneration policy to the market best practices, which typically provide for long-term bonus plans.

The LTI is a plan based on the awarding to recipients of rights to performance shares, on expiry of the three-year plan period (the vesting period).

On November 6, 2018 the Board of Directors authorized the allocation of performance shares. On 28 January 2019 the CEO – in accordance with the contents of the Plan Regulations, and after informing the Nomination and Remuneration Committee – identified two new recipients who were awarded *performance shares* according to the set criteria.

The number of performance shares awarded to each recipient at the time of allocation of the Plan corresponds to a percentage of fixed remuneration expressed in shares, at the value of the share on that date multiplied by the number of years separating the allocation from the vesting date (vesting period).

The number of shares allocated to the CEO corresponds to 50% of the fixed remuneration if the target level is reached, and up to 75% of that remuneration if the maximum (cap) is reached.

The number of shares awarded to the other beneficiaries is 25% of fixed remuneration if the target level is reached, and up to 37.5% of that remuneration if the maximum level is achieved.

The vesting of shares is subject to the reaching of the performance criteria represented by the cumulative three-year recurring free cash flow which is set in the industrial plan with a weighting of 40%; and the *total shareholder return* measured between 2018 – 2020, with a weighting of 60%.

The **recurring free cash flow** represents the cash flow generated by operational management net of investments in the maintenance of infrastructure and net of financial charges. Development investments are not included. The values set for this indicator are the following:

MINIMUM	TARGET RFCF	MAXIMUM
-6.4%	cumulative value Plan ‘18 – ‘20	+8%

The relative **total shareholder return** measures INWIT's TSR position on the scale of TSR for the six Italian and foreign towercos, which are American Tower, Crown Castle, SBA, Cellnex, INWIT and RAI WAY. It is calculated in the case of reinvestment of the share dividends during the vesting period.

The TSR calculation is done according to the following formula:¹

$$TSR_t = \frac{P_1 \text{ (Share price at end of period)} - P_0 \text{ (share price at start of period)} + \text{(dividends reinvested)}}{P_0 \text{ (Share price at the start of period)}}$$

Depending on INWIT's TSR positioning within its peer group, the following reward scale is applied:

POSIZIONAMENTO TSR INWIT IN GRADUATORIA	6° POSTO	5° POSTO	4° POSTO	3° POSTO	2° POSTO	1° POSTO
PERCENTUALE PREMIO	0%	0%	50%	100%	125%	150%

If INWIT has an absolute negative TSR, the scale is re-parameterized as indicated below:

POSIZIONAMENTO TSR INWIT IN GRADUATORIA	6° POSTO	5° POSTO	4° POSTO	3° POSTO	2° POSTO	1° POSTO
PERCENTUALE PREMIO	0%	0%	33%	67%	83%	100%

Shares will be allocated to beneficiaries by using own shares from acquisitions made in execution of the authorization (articles 2357 and 2357-ter of the Civil Code) authorized by the ordinary Meeting of Shareholders on 13 April 2018. In November 2018 the Company started a program of buying its own shares, and made a public announcement in accordance with the applicable rules.

When the performance shares are vested, the beneficiaries will also be awarded additional shares (dividend equivalent), in a number equating to the ordinary and extraordinary dividends paid out by INWIT during the vesting period, which would have been due on the number of shares effectively awarded to the beneficiaries based on the performance levels achieved in accordance with the terms and conditions of the Plan.

At the end of the vesting period, 50% of the shares allocated to the CEO and 30% of the shares allocated to the other beneficiaries are subject to a lock-up period of 24 months and 12 months from the end of the vesting period. During that period, the locked-up shares cannot be transferred or disposed of, except as a result of death, nor can they be subjected to any other form of restriction. If the vesting period is accelerated following a

¹t: Plan years from 1 January 2018 until 31 December 2020

P₀: Share price at the start of period (1 January 2018): Average of the reference share prices in the previous quarter cut off at the second decimal place

P₁: Share price at end of period (31 December 2020): Average of the reference share prices in the final quarter of the vesting period, cut off at the second decimal place

change of control or delisting of the company, the allocated shares will not be subject to any lock-up period. Shares allocated as dividend equivalents will not be subject to a lock-up.

The LTI Plan is subject to a clawback clause.

The company used the professional services of the consulting firm Mercer to define the rules of the Plan.

BENEFITS / WELFARE

The benefits provided for company Management are the same as those set for the executives and managers in addition to the provisions of the collective labor agreement (the labor agreement for manufacturing executives and telecommunications companies): insurance policies (accidents, death, permanent disability); covering healthcare costs; supplementary pension; company car for business/personal use; medical checkups.

4. REMUNERATION OF THE CHAIR, THE CEO AND DIRECTOR GENERAL AND THE KEY MANAGERS

The remuneration of the Chair, the CEO and the Key managers is defined in accordance with the principles of the remuneration policy taking into account the complexity of the role, the salary data from the relevant market, and subject to overall consistency with the pay policies of the TIM Group.

The Board of Directors also appointed Giovanni Ferigo director general of the Company.

Remuneration of the Chair

At the meeting on 13 April 2018 the Board of Directors appointed Stefano Siragusa as its Chair. The Chair was given not only the power of legal representation and the powers to which that role is legally entitled, but also the power to represent the company in external dealings with authorities, Italian and international institutions, investors and the media.

At the meeting on 10 May 2018 the Board of Directors decided, at the proposal of the Nomination and Remuneration Committee and having consulted the Board of Statutory Auditors, to award the Chair a fixed remuneration of €75,000 per annum, in accordance with article 2389, para. 3 of the Civil Code, for the three-year term 2018-2020, also including the emolument for being a director.

The remuneration awarded to Mr Siragusa, who is a manager of TIM, reverted to TIM in application of Group policy.

Mr Siragusa did not receive any remuneration as a member of the Strategic Committee.

No variable remuneration component was recognized.

The Chair receives benefits provided for in the policies of the TIM Group for executive personnel, in addition to the provisions of the national labor agreement for manufacturing executives.

Remuneration of the CEO and Director General

The remuneration of the CEO and Director General was decided by the Board of Directors – appointed by the Meeting of Shareholders on 13 April 2018 – in a resolution of 10 May 2018.

Based on the market benchmark and the procedure for distributing the overall remuneration between the work as director-general and the administration relationship which is regulated by article 2389 of the Civil Code, the Board of Directors decided to award Mr Ferigo, at the proposal of the Nomination and Remuneration Committee and having consulted the Board of Statutory Auditors, the following remuneration:

- A gross annual salary of €340,000 per annum, as remuneration for work as an employee;
- short-term variable MBO remuneration of €170,000 gross per annum on a target awarded as to 80% (equal to €136,000 gross, per annum) as remuneration for work as an employee, with the remaining 20% (equal to €34,000 gross per annum) as remuneration for the role of CEO (article 2389, para. 3 of the Civil Code);
- variable medium/long-term remuneration (INWIT LTI Plan 2018-2020) awarded entirely by way of remuneration for the role of CEO (article 2389, para. 3 of the Civil Code), made up of the free allocation of INWIT shares equating at target level to 50% of gross annual salary for each year of the plan.

In summary, the administration relationship (article 2389, para. 3 of the Civil Code) is remunerated by a variable target amount of €204,000, gross per annum (this amount comes from the sum of the quota of short term variable remuneration of €34,000 gross per annum, and the variable medium-/long-term remuneration of €170,000 gross per annum).

Due to the coexistence of the employee relationship mentioned above, Mr Ferigo waived the fixed annual compensation for the position of Director (article 2389, para. 1 of the Civil Code); nor does he receive any compensation as a member of the Strategic Committee.

Like all the company's executives, the CEO is also covered by a Directors & Officers policy.

SHORT-TERM VARIABLE REMUNERATION (MBO)

The score card for the 2019 MBO allocated to the CEO will be made up of the following objectives^{1:(*)}

OBJECTIVE	Weight	Minimum	Target	Maximum
1 TIM Group EBITDA (€M) - gate*	20%	95%	budget	105%
2. INWIT EBITDA (€M)	30%	-1%	budget	+5%
3. Signing of binding agreements related to the integration operation with Vodafone towers	15%	<i>The objective is evaluated according to the timing of the operation</i>		
4. Revenues from new sites and new services (€M)	15%	-2%	budget	+5%
5. DAS, small cell and backhauling (number)	15%	-5,6%	budget	+11%
6. Define the company's Sustainability Plan	5%	Assessment by 30/09	Sustainability Plan by 30/11	Sustainability Plan with KPI identification by 31/12

The presence of INWIT profit resulting from the financial statements is a necessary condition for the payment of the accrued bonus

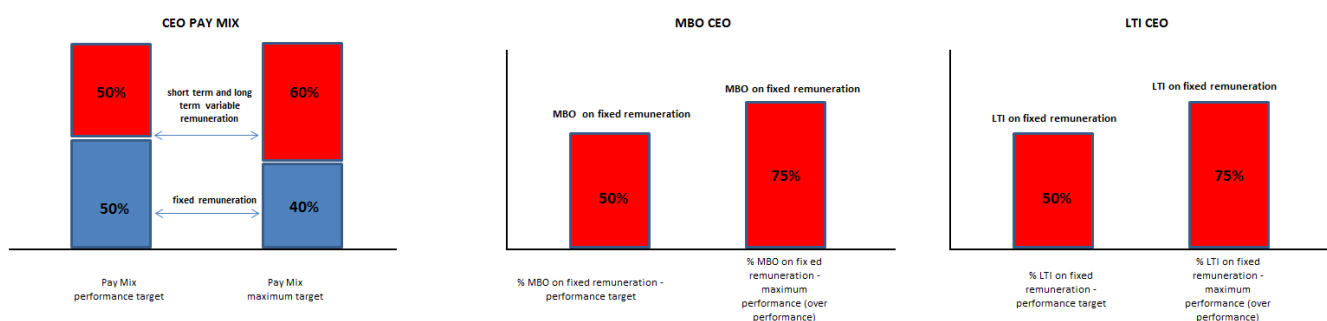
(*) See paragraph 3 for more details of how the gate works

LONG-TERM VARIABLE REMUNERATION (LTI)

The CEO has been included as one of the beneficiaries of the 2018-2020 long-term incentive plan. For each year of the plan, free shares are allocated at 50% of fixed remuneration, if the target level is reached; and up to 75% of fixed remuneration if the maximum cap is reached.

If the performance targets are not met, the shares will not be allocated.

The planned *pay mix* for 2019 and the percentage of MBO and LTI on fixed remuneration is indicated below, with the target and maximum levels.



BENEFITS

The CEO receives the benefits provided for in the policies of the TIM Group for executive personnel, in addition to the provisions of the national labor agreement for manufacturing executives. In particular the following benefits are provided:

- the allocation of a company car for personal and business use, the value of which is subject to tax allowances as per current regulations. The class of vehicle differs depending on the role and organizational responsibilities of the manager;
- voluntary access to the welfare and insurance available from Fontedir (Supplementary Pension Fund for TIM Group Executives) and Assida (Voluntary Mutual Association for Supplementary Medical Insurance for Executives);
- *Directors & Officers* civil liability policy subscribed by TIM, and renewed each year for the whole managerial population and members of the company bodies of subsidiaries including *external directorships* if designated by TIM.

SEVERANCE PAY

At the time this report was approved, no severance package, stability pact or no competition undertakings had been given to the CEO. ¹ An investigation is underway, on this topic: Any provisions will be subject to approval by the Board of Directors.

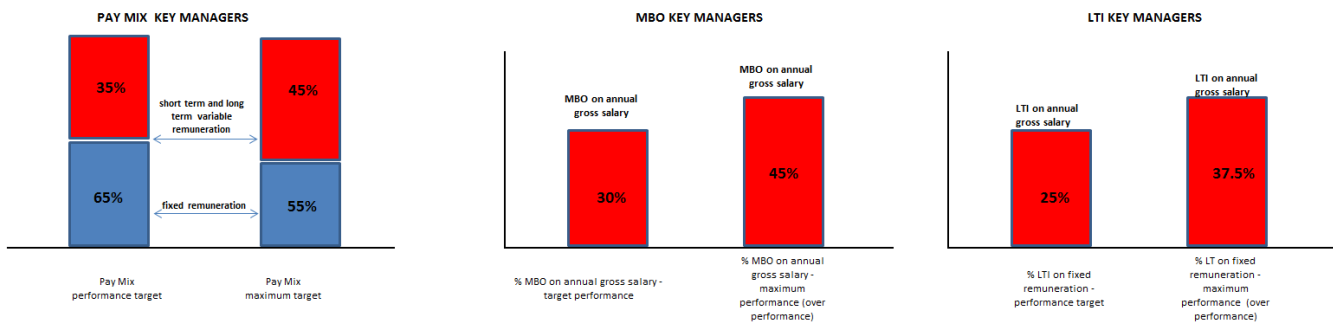
Remuneration of Key Managers

In addition to the CEO, the following persons are Key Managers of the Company:

- Head of Administration, Finance, Control & Business Support
- Head of Marketing & Sales
- Head of Technology & Operations.

Remuneration of Key Managers is determined by taking into account the role and individual salary position in terms of gross annual salary and bonus, compared to the median pay data for the reference market.

The planned *pay mix* for 2019 and the percentage of MBO and LTI on fixed remuneration is indicated below, with the target and maximum levels.



SHORT-TERM VARIABLE REMUNERATION (MBO)

The total short-term variable bonus for Key Managers for 2019 is set at 30% of fixed remuneration, if 100% of the target is reached, rising to a maximum of 45% of salary, if 150% of the target is reached. For a description of the plan see paragraph 3.

LONG-TERM VARIABLE REMUNERATION (LTI)

The Key Managers, as described in paragraph 3, have been included as beneficiaries of the 2018-2020 long-term incentive plan. For each year of the plan, free shares are allocated at 25% of fixed remuneration, if the target level is reached, up to 37.5% of salary if the maximum cap is reached.

If the performance targets are not met, the shares will not be allocated.

¹Agreements on salary in the event of early termination of the directorship.

BENEFITS

The Key Managers receive benefits provided for in the policies of the TIM Group for executive personnel, in addition to the provisions of the national labor agreement for manufacturing executives. In particular the following benefits are provided:

- the allocation of a company car for personal and business use, the value of which is subject to tax allowances as per current regulations. The class of vehicle differs depending on the role and organizational responsibilities of the manager;
- voluntary access to the welfare and insurance available from Fontedir (Supplementary Pension Fund for TIM Group Executives) and Assida (Voluntary Mutual Association for Supplementary Medical Insurance for Executives);
- *Directors & Officers* civil liability policy subscribed by TIM, and renewed each year for the whole managerial population and members of the company bodies of subsidiaries including *external directorships* if designated by TIM.

The Company does not have any severance¹ packages, stability pacts or no competition undertakings for the Key Managers.

5. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration for members of INWIT's Board of Directors is set in accordance with the regulatory and statutory provisions and the self-governance code.

The Meeting of Shareholders of 13 April 2018 appointed the Board of Directors for the three year period 2018–2020, and set their total emoluments at €570,000 gross per annum; Subsequently, at the meeting on 10 May 2018 the Board of Directors, at the proposal of the Nomination and Remuneration Committee, authorized the distribution of total emoluments as follows:

- €45,000 gross per annum to each non-executive member of the Board of Directors;
- €25,000 gross per annum to the Chair of the Risk and Control Committee, and €20,000 gross per annum to each other member of the same Committee;
- €20,000 gross per annum to the Chair of the Nomination and Remuneration Committee and €15,000 gross per annum to each other member of the same Committee;
- €5,000 gross per annum to the *Lead Independent Director*

¹Salary agreements in the event of early termination of employment contracts.

On 6 November 2018 the Board of Directors decided to pay an emolument of €15,000 gross per annum to the independent directors only, who are members of the Strategic Committee set up by the Board of Directors on 23 July 2018.

In line with best practices, the remuneration of non-executive directors does not contain a variable component and therefore is not correlated to the company's financial results.

The directors are also reimbursed with the expenses incurred in connection with their duties (e.g. food and accommodation).

Directors have the benefit of a civil liability *Directors & Officers insurance policy*.

Non-executive directors do not have any agreements providing for indemnities if their contracts with INWIT are terminated early.

6. SUCCESSION PLAN FOR EXECUTIVE DIRECTORS AND KEY MANAGERS

The succession plan for executive directors and for the CEO and Key Managers of INWIT were approved by the Board of Directors on 16 March 2017 based on the preliminary investigation carried out by the Nomination and Remuneration Committee.

The succession plan and the related process for managing the replacement plans responds to the need to manage the business continuity risk, maintain the key organizational roles, and last but not least, the need to ensure the managerial development of the best talents within the Company.

Following a benchmark analysis that took into consideration the process used by the parent company TIM, and the best practices of leading Italian public companies, the process was defined, together with the policy which provides as follows:

- the scope of application of the process;
- the objectives;
- the recipients;
- the events triggering application;
- a specific description of the phases, activities, timings and responsibilities of the various people involved in the succession planning process, and in the management of the replacement plans.

In 2018, Human Resources started a periodic update of the succession plans, which will end with the “readiness table” being compiled by the end of the first half of 2019.

Human Resources relies on leading managerial consulting firms, for this activity.

SECTION TWO: SUMMARY OF REMUNERATION FOR 2018

INTRODUCTION

This Summary illustrates the policy implemented by INWIT in 2018, with reference to the final salaries received by the executive and supervisory bodies, and by the Key Managers with Strategic Responsibilities.

PART ONE

The Meeting of Shareholders of INWIT on 13 April 2018 appointed the new Board of Directors, setting the number of directors at 11, and the total gross annual remuneration for the Board at €570,000 (in accordance with article 2389, para. 1 of the Civil Code), and this was distributed among the members following a Board decision of 10 May 2018, under the conditions contained in the relevant paragraph of Section 1 of this Report.

1. CHAIR

Stefano Siragusa was appointed as Chair by the Board of Directors at the meeting on 13 April 2018.

At the meeting on 10 May 2018 the Board of Directors decided, at the proposal of the Nomination and Remuneration Committee and having consulted the Board of Statutory Auditors, to award the Chair a fixed remuneration of €75,000 per annum, in accordance with article 2389, para. 3 of the Civil Code, for the three-year term 2018-2020, also including the emolument for being a director.

Mr Siragusa did not receive any remuneration as a member of the Strategic Committee.

No variable remuneration component was recognized.

The remuneration awarded to Mr Siragusa, who is a director of TIM, was reverted to TIM in application of Group policy.

The position of Chair was held from 1 January 2018 January, until the election of the Board (Meeting of Shareholders of 13 April 2018) by Professor Francesco Profumo. In that period his remuneration was represented solely by a fixed emolument of €75,000 per year.

2. REMUNERATION OF THE CEO AND DIRECTOR GENERAL

Giovanni Ferigo was appointed as CEO and director-general of INWIT by the Board of Directors at the meeting on 13 April 2018.

Subsequently, on 10 May 2018, the Board of Directors, with the approval of the Nomination and Remuneration Committee and of the Board of Statutory Auditors - authorized a salary package for the Chair, the CEO and the

director-general in accordance with article 2389, para. 3, of the Civil Code, for the three year term, according to the conditions in the relevant paragraph of Section 1 of this Report.

The salary package was determined in accordance with the authorities and powers granted, and took into account the nature of the contract of employment between Mr Ferigo and the Company, in which he holds the position of director general, and the directorship which is governed by article 2389, paras. 1 and 3 of the Civil Code.

The salaries paid to top management roles in companies of a comparable size and sector, in the Italian market, were considered when setting the level of remuneration.

The salary package was decided in accordance with the authorities and powers as granted, and is made up of:

- A gross annual salary of €340,000 per annum, as remuneration for work as an employee;
- short-term variable MBO remuneration of €170,000 gross per annum on a target awarded as to 80% (equal to €136,000 gross, per annum) as remuneration for work as an employee, with the remaining 20% (equal to €34,000 gross per annum) as remuneration for the role of CEO (article 2389, para. 3 of the Civil Code);
- variable medium-/long-term target remuneration (INWIT LTI Plan 2018-2020) awarded entirely by way of remuneration for the role of CEO (article 2389, para. 3 of the Civil Code), made up of the free allocation of INWIT shares equating to 50% of gross annual salary for each year of the plan.

The CEO receives the benefits provided for in the policies of the TIM Group for executive personnel, in addition to the provisions of the national labor agreement for manufacturing executives, as described in the First Section of the Report in paragraph 4.

The score card for the 2018 MBO approved by the Board of Directors is made up of the following objectives:

OBJECTIVE	weight
1. TIM Group EBITDA (gate)	20%
2. INWIT EBITDA	30%
3. Rental Costs + (capex purchases of land and land rights)/6	25%
5. No. of implementations (new sites, small cells, DAS, backhauling, Internet of Things)	25%
Total objectives	100%
The presence of INWIT profit resulting from the financial statements is a necessary condition for the payment of the accrued bonus	

The score card states that a net profit on the financial statements is a condition for payment of the MBO.

The results for 2018, approved by the Board of Directors at the meeting on 18 February 2019, led to a score of 61.27% according to the current measurement scale.

This score gives the CEO a bonus of €104,159.00 gross, equal to 30.6% of the gross annual salary.

LONG-TERM VARIABLE REMUNERATION

The CEO is one of the beneficiaries of the 2018-2020 long-term incentive plan, approved by the Meeting of Shareholders on 13 April 2018 and described in the relevant paragraph of section 1 of this report.

Details of the salaries received in 2018 are given in Tables 1, 3A and 3B of Part Two of this section.

The position of CEO was held from 1 January, until the election of the Board (Meeting of Shareholders of 13 April 2018) by Oscar Cicchetti. During that period Mr Cicchetti received, pro rata, a fixed remuneration of €400,000 (gross per annum) and payment of the 2017 MBO bonus.

3. REMUNERATION OF KEY MANAGERS

Following the changes to the company's organizational structure on 31 July 2018 as described in the introduction to Part One of the Report, on 6 November 2018 the Board of Directors decided:

- to appoint Elisa Patrizi, Head of Technology & Operations, as a new Key Manager of the Company
- to reappoint Emilio Maratea, Head of Marketing & Sales and Andrea Balzarini, Head of Administration, Finance, Control & Business Support as Key Managers;
- not to reappoint Rafael Perrino, Head of Administration Control & Risk Management, in that role.

The total remuneration received during 2018 by the company's Key Managers is made up as follows:

- gross annual fixed salary as employee;
- short-term variable annual remuneration linked to participation in the company's MBO;
- long-term variable annual remuneration linked to participation in the company's LTI plan;
- non-monetary benefits for executives of the TIM Group.

SHORT-TERM VARIABLE REMUNERATION (MBO)

The results for 2018, approved by the Board of Directors at the meeting on 18 February 2019, led to an overall average MBO performance score of 77.17%, according to the current measurement scale.

This score resulted in a cumulative bonus for the Key Managers of €100,114 gross¹, which will be paid in the first half of 2019.

Unlike in Part One of the 2018 report, the weighting for performance management objectives was reduced from 20% to 10% overall (5% target component and 5% behavioral component).

LONG-TERM VARIABLE REMUNERATION (LTI)

The Key Managers are among the beneficiaries of the 2018-2020 long-term incentive plan, approved by the Meeting of Shareholders on 13 April 2018 and described in the relevant paragraph of section 1 of this report.

Details of the salaries received in 2018 by the Key Managers are given in Tables 1, 3A and 3B of Part Two of this section.

4. REMUNERATION OF NON-EXECUTIVE DIRECTORS

On 10 May, the Board of Directors distributed the total gross annual remuneration of €570,000 (authorized by the Meeting of Shareholders on 13 April 2018) under the conditions described in the relevant paragraph of section 1 of this report. The additional remuneration awarded to the independent directors in the Strategic Committee was approved by the Board of Directors' meeting on 6 November 2018.

Full details of the salaries received by each director in office during the period, including in their capacities as members of Board committees, and as Lead Independent Director, can be found in table 1 in part 2 of this section.

The remaining global compensation of €15,000, reserved for future committees and/or other special mandates, was not utilized on the date this report was approved.

Directors also have the benefit of a civil liability Directors & Officers insurance policy, as already illustrated in paragraph 5 of section 1.

Non-executive directors do not have any agreements providing for indemnities if their contracts with Company INWIT are terminated early.

The non-executive directors in office between 1 January and 13 April 2018 (the date on which the Meeting of Shareholders elected the new Board) were paid a gross annual remuneration of €45,000 per annum (apart from Mr Nuzzolo, who waived it).

An additional remuneration was also granted:

- €20,000 gross per annum to each member of the Risk and Control Committee, and €25,000 gross per annum to its Chair;

¹This bonus takes into account the readjustments for E. Patrizi and R. Perrino, in relation to the length of time in their roles.

- €15,000 gross per annum to each member of the Nomination and Remuneration Committee, and €20,000 gross per annum to its Chair.

Details of the salaries received on a pro rata basis during the period in which the directors held the position are given in Table 1 of Part Two of this section.

5. REMUNERATION OF MEMBERS OF THE SUPERVISORY BODIES

The Meeting of Shareholders on 13 April 2018 appointed the Board of Statutory Auditors for the period 2018-2020, determining the gross annual remuneration including the emolument for the functions of 231 supervisory body, which was €70,000 for the Chair and €50,000 for each standing auditor plus the reimbursement of documented expenses. The Board of Statutory Auditors is composed as follows: Stefano Sarubbi (Chair) and the standing auditors Umberto La Commara and Michela Zeme. The substitute auditors are Roberto Cassader and Elisa Menicucci.

The members of the Board of Statutory Auditors, in office until re-election (Meeting of Shareholders of 13 April 2018) received a total gross annual remuneration of €45,000 for the Chair and €30,000 for each standing auditor plus the reimbursement of documented expenses.

Details of the salaries received in 2018 are given in Table 1 of Part Two of this section.

PART TWO

TABLE OF REMUNERATION PAID IN 2018

Detailed summary of all forms of remuneration paid during the year by the company, its subsidiaries and affiliates

The table below indicates, by name, the remuneration paid to Directors, Statutory Auditors and Key Managers. Separate information is given in regard to payments received by subsidiaries or affiliates, apart from those that were waived or which reverted to the company. The information includes all the individuals who held those positions during the year, even for part of it.

In particular:

- the “Fixed payment” column includes, based on the accruals principle, fixed emoluments and salaries from their work as employee, inclusive of Social Security and fiscal contributions payable by the employee. The notes contain a breakdown of the remuneration and a separate indication of any indemnities and other payments related to the contract of employment;
- the column “Payments for membership of Board committees” shows (based on the accruals principle) the amount due to directors for participating in Board committees. The notes give separate indications of the committees of which the director is a member;
- the column “Non-equity bonuses” indicates, in the item “Bonuses and other incentives”, incentives paid during the year following the checking and approval of the performance results by the competent bodies of the company - this is specified in more detail in the table “Monetary incentive plans for directors and Key Managers”; the column “Profit shares” does not contain any data as there is no form of profit sharing;
- the column “Non-monetary benefits” indicates the value of fringe benefits, which are based on accrual and tax liability;
- the column “Other payments” includes (based on the accruals principle) any other payments due from any other services rendered;
- the “Total” column gives a total of the amounts in the above items;
- the “Fair value of equity payments” column contains the value of the “LTI 2018-2020” performance share plan;
- the “End of service or contract termination indemnity” shows the data for any such indemnities paid during the year.

TABLE 1: Payments to members of the Board of Directors, the supervisory body and Key Managers.

Board of Directors

(A) Name and surname	(B) Position	(C) Period for which the position was held	(D) Expiry of the position	(1) Fixed payments	(2) payments for membership of board committees	(3) Variable non-equity payments		(4) Non-monetary benefits	(5) Other payments	(6) Total	(7) Fair Value of equity payments	(8) End of office or termination of employment compensation
						Bonuses and other incentives	Profit shares					
Stefano Siragusa	Chairman	13/04/2018-31/12/2018	approval 2020 financial statements	54.041						54.041		
Giovanni Ferigo	Chief Executive Officer and General Manager	13/04/2018-31/12/2018	approval 2020 financial statements	209.231		104.159		44		313.434	141.212	
Enrico Maria Bignami	Director	13/04/2018-31/12/2018	approval 2020 financial statements	32.425	21.068					53.493		
Secondina Giulia Ravera	Director	13/04/2018-31/12/2018	approval 2020 financial statements	32.425	21.068					53.493		
Francesca Balzani	Director	13/04/2018-31/12/2018	approval 2020 financial statements	32.425	14.411					46.836		
Laura Cavatorta	Director	13/04/2018-31/12/2018	approval 2020 financial statements	32.425	10.808					43.233		
Filomena Passeggio	Director	13/04/2018-31/12/2018	approval 2020 financial statements	32.425	14.411					46.836		
Luca Aurelio Guarna	Director	13/04/2018-31/12/2018	approval 2020 financial statements	32.425	18.014					50.439		
Gigliola Bonino	Director	13/04/2018-31/12/2018	approval 2020 financial statements	32.425						32.425		
Agostino Nuzzolo	Director	13/04/2018-31/12/2018	approval 2020 financial statements	32.425						32.425		
Mario Di Mauro	Director	13/04/2018-31/12/2018	approval 2020 financial statements	32.425						32.425		
(I) Payments in the company that prepares the financial statements				555.097	99.780	104.159	0	44	0	759.080	141.212	0
(II) Payments from subsidiaries and associates												
(III) Total				555.097	99.780	104.159	0	44	0	759.080	141.212	0

NOTES:

Stefano Siragusa: the amount in col. 1) refers to the remuneration received as Chair of the Board of Directors. This remuneration is not received by the interested party but reverts to Telecom Italia.

Giovanni Ferigo: the amount in col. 1) refers to the remuneration for the work as employee, for the position of Director General; Column 3) refers to the bonus for the year, for the targets met during that same year, awarded as to 80% as remuneration for the work as employee, with the remaining 20% as remuneration for the role of CEO (article 2389, para. 3 of the Civil Code); column 4) indicates the value of fringe benefits, which are based on accrual and tax liability; col. 7) refers to the medium-/long-term remuneration paid entirely in relation to the position of CEO.

Enrico Maria Bignami: the amount in col. 1) refers to the remuneration received as Director; col. 2) refers to the remuneration received as lead independent director (€3,603) and as a member of the Nomination and Remuneration Committee (€10,808) and of the Strategic Committee (€6,657).

Secondina Giulia Ravera: the amount in col. 1) refers to the remuneration received as Director; col. 2) refers to the remuneration received as member of the Control and Risk Committee (€14,411) and of the Strategic Committee (€6,657).

Francesca Balzani: the amount in col. 1) refers to the remuneration received as Director; col. 2) refers to the remuneration received as member of the Control and Risk Committee.

Laura Cavatorta: the amount in col. 1) refers to the remuneration received as Director; in column 2), the amount refers to the remuneration received as a member of the Nomination and Remuneration Committee.

Filomena Passeggio: the amount in col. 1) refers to the remuneration received as Director; in column 2), the amount refers to the remuneration received as Chair of the Nomination and Remuneration Committee.

Luca Aurelio Guarna: the amount in col. 1) refers to the remuneration received as Director; col. 2) refers to the remuneration received as Chair of the Control and Risk Committee.

Gigliola Bonino: the amount in col. 1) refers to the remuneration received as Director. This remuneration is not received by the interested party but reverts to Telecom Italia

Agostino Nuzzolo: the amount in col. 1) refers to the remuneration received as Director. This remuneration is not received by the interested party but reverts to Telecom Italia

Mario Di Mauro: the amount in col. 1) refers to the remuneration received as Director. This remuneration is not received by the interested party but reverts to Telecom Italia

Board of Statutory Auditors

(A) Name and surname	(B) Position	(C) Period for which the position was held	(D) Expiry of the position	(1) Fixed payments	(2) payments for membership of board committees	(3) Variable non-equity payments		(4) Non-monetary benefits	(5) Other payments	(6) Total	(7) Fair Value of equity payments	(8) End of office or termination of employment compensation
						Bonuses and other incentives	Profit shares					
Stefano Sarubbi	Chairman of the Board of Statutory Auditors and Supervisory Body	13/04/2018-31/12/2018	approval 2020 financial statements	50.438						50.438		
Umberto La Commara	Standing auditor and member of the Supervisory Body	13/04/2018-31/12/2018	approval 2020 financial statements	36.027						36.027		
Michela Zeme	Standing auditor and member of the Supervisory Body	13/04/2018-31/12/2018	approval 2020 financial statements	36.027						36.027		
(I) Payments in the company that prepares the financial statements				122.492						122.492		
(II) Payments from subsidiaries and associates												
(III) Total				122.492						122.492		

Key Managers

(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 carica 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				455.686		95.162		12.805		563.653	66.608	
(II) Compensi da controllate e collegate												
(III) Totale				455.686		95.162		12.805		563.653	66.608	

NOTES:

The amounts in columns 1), 2) and 4) refer to the amount received during 2018 by the 4 managers who held the position of key manager, even for a part of that time. For Ms Patrizi the reference period is from 06/11/2018-31/12/2018 (date of appointment as key manager); For Mr Perrino the reference period is from 1/1/2018-06/11/2018 (date of revocation of appointment as key manager). In column 7) the fair value is recognized for the full year.

The payments correspond to the remuneration as employee, inclusive of Social Security and fiscal contributions payable by the employee.

Outgoing Board of Directors

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Position	Period for which the position was held	Expiry of the position	Fixed payments	payments for membership of board committees	Variable non-equity payments		Non-monetary benefits	Other payments	Total	Fair Value of equity payments	End of office or termination of employment compensation
						Bonuses and other incentives	Profit shares					
Francesco Profumo	Chairman	01/01/2018-13/04/2018	approval 2017 financial statements	21.164						21.164		
Oscar Cicchetti	CEO	01/01/2018-13/04/2018	approval 2017 financial statements	114.444				1.253		115.697		
Paola Maria Gina Schwizer	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699	7.055					19.754		
Primo Ceppellini	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699	5.644					18.343		
Alessandro Foti	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699	5.644					18.343		
Cristina Finocchi Mahne	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699	5.644					18.343		
Paola Bruno	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699	4.233					16.932		
Giuseppe Gentili	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699	4.233					16.932		
Filomena Passeggio	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699	9.877					22.576		
Luca Aurelio Guarna	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699	9.877					22.576		
Giuseppe Recchi	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699						12.699		
Piergiorgio Peluso	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699						12.699		
Agostino Nuzzolo	Director	01/01/2018-13/04/2018	approval 2017 financial statements							0		
Saverio Orlando	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699						12.699		
Venanzio Iacozzilli	Director	01/01/2018-13/04/2018	approval 2017 financial statements	12.699						12.699		
(I) Payments in the company that prepares the financial statements				287.996	52.207	0	0	1.253	0	341.456	0	0
(II) Payments from subsidiaries and associates												
(III) Total				287.996	52.207	0		1.253		341.456		

NOTES:

Francesco Profumo: the amount in col. 1) refers to the remuneration received as Chair of the Board of Directors.

Oscar Cicchetti: the amount in col. 1) refers to the fixed remuneration (article 239 (3) of the Civil Code) authorized by the Board of Directors; in col. 3) the amount, paid in accordance with article 2389 (3) of the Civil Code), refers to the bonus pertaining to the year, for targets fulfilled during that same year; column 4) indicates the value of fringe benefits, which are based on accrual and tax liability (car for business and personal use).

Paola Maria Gina Schwizer: the amount in col. 1) refers to the remuneration received as Director; col. 2) refers to the remuneration received as Chair of the Control and Risk Committee

Primo Ceppellini: the amount in col. 1) refers to the remuneration received as Director; col. 2) refers to the remuneration received as member of the Control and Risk Committee.

Alessandro Foti: the amount in col. 1) refers to the remuneration received as Director; col. 2) refers to the remuneration received as member of the Control and Risk Committee.

Cristina Finocchi Mahne: the amount in col. 1) refers to the remuneration received as Director; in col. 2), the amount refers to the remuneration received as Chair of the Nomination and Remuneration Committee.

Paola Bruno: the amount in col. 1) refers to the remuneration received as Director; in col. 2), the amount refers to the remuneration received as a member of the Nomination and Remuneration Committee.

Giuseppe Gentili: the amount in col. 1) refers to the remuneration received as Director; in col. 2), the amount refers to the remuneration received as a member of the Nomination and Remuneration Committee.

Filomena Passeggio: the amount in col. 1) refers to the remuneration received as Director; col. 2 refers to the remuneration received as member of the Nomination and Remuneration Committee.(€4,233) and of the Control and Risk Committee (€5,644)

Luca Aurelio Guarna: the amount in col. 1) refers to the remuneration received as Director; col. 2 refers to the remuneration received as member of the Nomination and Remuneration Committee.(€4,233) and of the Control and Risk Committee (€5,644)

Giuseppe Recchi: the amount in col. 1) refers to the remuneration received as Director

Piergiorgio Peluso: the amount in col. 1) refers to the remuneration received as Director. This remuneration is not received by the interested party but reverts to Telecom Italia

Agostino Nuzzolo: Mr. Nuzzolo, appointed Director on 20 April 2017, has waived his compensation

Saverio Orlando: the amount in col. 1) refers to the remuneration received as Director. This remuneration is not received by the interested party but reverts to Telecom Italia

Venanzio Iacozzilli: the amount in col. 1) refers to the remuneration received as Director. This remuneration is not received by the interested party but reverts to Telecom Italia

Outgoing Board of Statutory Auditors

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Position	Period for which the position was held	Expiry of the position	Fixed payments	payments for membership of board committees	Variable non-equity payments		Non-monetary benefits	Other payments	Total	Fair Value of equity payments	End of office or termination of employment compensation
						Bonuses and other incentives	Profit shares					
Enrico Maria Bignami	Chairman of the Board of Statutory Auditors and Supervisory Body	01/01/2018-13/04/2018	approval 2017 financial statements	12.575						12.575		
Umberto La Commara	Standing auditor and member of the Supervisory Body	01/01/2018-13/04/2018	approval 2017 financial statements	8.384						8.384		
Michela Zeme	Standing auditor and member of the Supervisory Body	01/01/2018-13/04/2018	approval 2017 financial statements	8.384						8.384		
(I) Payments in the company that prepares the financial statements				29.343						29.343		
(II) Payments from subsidiaries and associates												
(III) Total				29.343						29.343		

TABLE 2: Stock Options awarded to members of the Board of Directors and to Key Managers

Currently the Company has no stock option plans.

TABLE 3: Bonus plans for members of the Board of Directors and Key Managers.

TABLE 3A: Bonus plans based on financial instruments other than stock options, for members of the Board of Directors, the director general and Key Managers

A	B	1	financial instruments allocated in previous financial years not vested during the financial year		financial instruments allocated during the financial year					financial instruments vested during the financial year and not allocated	financial instruments vested during the financial year and allocatable		financial instruments accruing in the financial year
			2	3	4	5	6	7	8	9	10	11	12
Name and surname	Position	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value on the date of allocation	Vesting period	Date of allocation	Market price on allocation	Number and type of financial instruments	Number and type of financial instruments	Value on the date of maturity	Fair value
Giovanni Ferigo	Chief Executive Officer and General Manager	LTI 2018-2020 Plan Board meeting of 06/11/2018			82.152	€ 423.636	three-year 2018-2020	06/11/2018	€ 6,208	-	-	-	€ 141.212
(I)	Payments in the company that prepares the financial statements				82.152	€ 423.636							€ 141.212
(II)	Payments from subsidiaries and associates												
(III)	Total				82.152	€ 423.636							€ 141.212
	Key Managers	LTI 2018-2020 Plan Board meeting of 06/11/2018			38.750	€ 199.824	three-year 2018-2020	06/11/2018	€ 6,208	-	-	-	€ 66.608
(I)	Payments in the company that prepares the financial statements				38.750	€ 199.824							€ 66.608
(II)	Payments from subsidiaries and associates												
(III)	Total				38.750	€ 199.824							€ 66.608

TABLE 3B: Monetary incentive plans for members of the Board of Directors and Key Managers

Monetary incentive plans for members of the Board of Directors and of Statutory Auditors									
A	B	(1)	(2)			(3)			(4)
Name and surname	Position	Plan	Bonus of the year			Bonuses of previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Giovanni Ferigo	Chief Executive Officer and General Manager	2018 MBO resolution of INWIT Board of 2 March 2018 and letter of 23/05/2018	104.159						
(I) Payments in the company that prepares the financial statements			104.159						
(II) Payments from subsidiaries and associates									
(III) Total			104.159						
Monetary incentive plans for Key Managers									
A	B	(1)	(2)			(3)			(4)
Name and surname	Position	Plan	Bonus of the year			Bonuses of previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still deferred	
Key Managers		2018 MBO Letter of 30/05/2018 and of 03/10/2018	100.114						
(I) Payments in the company that prepares the financial statements			100.114						
(II) Payments from subsidiaries and associates									
(III) Total			100.114						
<p>The Bonuses refer to those who during the 2018 financial year held, even for a fraction of the period, the position of Key Manager (four managers). The bonus paid takes into account the pro rata calculation made for E. Patrizi, in relation to the permanence in the role for the period 06/11/2018 (date of appointment as Key Manager) to 31/12/2018; and for Mr R. Perrino with reference to the period from 01/01/2018 to 06/11/2018 (date of revocation of appointment as Key Manager).</p>									

SHAREHOLDINGS OF MEMBERS OF THE BOARDS OF DIRECTORS, SUPERVISORY BODY AND KEY MANAGERS

As required by article 84B of the Regulation enacting legislative decree number 58 of 24 February 1998 adopted by the Consob Decision number 11971 of 14 May 1999 as amended, the table below contains details of the shareholdings of directors, statutory auditors and Key Managers, in INWIT S.p.A..

Board of Directors						
Name and surname	Investee company	Category of Shares	Number of shares held at the end of the 2017 financial year (or on the date of appointment)	Number of shares purchased during the 2018 financial year	Number of shares sold during the 2018 financial year	Number of shares held at the end of the 2018 financial year (or on the date of termination of office if earlier)
Stefano Siragusa			none	none	none	none
Giovanni Ferigo			none	none	none	none
Enrico Maria Bignami			none	none	none	none
Secondina Giulia Ravera			none	none	none	none
Francesca Balzani			none	none	none	none
Laura Cavatorta			none	none	none	none
Filomena Passeggio			none	none	none	none
Luca Aurelio Guarna			none	none	none	none
Gigliola Bonino			none	none	none	none
Agostino Nuzzolo			none	none	none	none
Mario Di Mauro			none	none	none	none
Board of Statutory Auditors						
Name and surname	Investee company	Category of Shares	Number of shares held at the end of the 2017 financial year (or on the date of appointment)	Number of shares purchased during the 2018 financial year	Number of shares sold during the 2018 financial year	Number of shares held at the end of the 2018 financial year (or on the date of termination of office if earlier)
Stefano Sarubbi			none	none	none	none
Umberto La Commara			none	none	none	none
Michela Zeme			none	none	none	none
Key Managers						
Name and surname	Investee company	Category of Shares	Number of shares held at the end of the 2017 financial year (or on the date of appointment)	Number of shares purchased during the 2018 financial year	Number of shares sold during the 2018 financial year	Number of shares held at the end of the 2018 financial year (or on the date of termination of office if earlier)
Elisa Patrizi	INWIT	ordinary	1.450	none	none	1.450
Rafael Giorgio Perrino			none	none	none	none
Emilio Maratea			none	none	none	none
Andrea Balzarini			none	none	none	none

GLOSSARY

EXECUTIVE DIRECTORS: Directors who are granted operational or managerial authorities, and who have specific mandates awarded by the Board of Directors.

INDEPENDENT DIRECTORS: Directors who meet the independence requirements as laid down in the INWIT self-governance code.

NON-EXECUTIVE DIRECTORS: Directors who are not granted operational or managerial authorities, and who have not had specific mandates awarded by the Board of Directors.

FREE SHARE ALLOCATION : Details of shares awarded free to each beneficiary, upon vesting.

SHARES: Ordinary shares in the Company with no nominal value listed on the Electronic Stock Market organized and run by the Italian stock exchange

CHANGE OF CONTROL: This indicates changes in the Company's ownership structure, resulting from any operation [or contractual agreement] which enables a person or group of persons acting jointly, to acquire control of the Company ex article 93 of the TUF, or of the subsidiaries, ex article 2359(1) of the Civil Code. *Change of control* also refers to a case in which control passes from exclusive control to joint control with other parties.

CLAWBACK: A clause that allows the bonus paid to Plan beneficiaries to be recovered. The clawback can be triggered during the three years following vesting or payout of the bonus, in the case of an Error; during the five years after the vesting or payout of the bonus, in the case of fraud or deliberate or willful acts that cause harm to the Company, or behaviors that infringe the reference laws and regulations.

DELISTING: A decision by the Meeting of Shareholders to apply for the delisting of the Shares from the Electronic Stock Market or, if no such application is made, the occurrence of conditions that would lead to the Italian Stock Exchange deciding to delist the shares.

KEY MANAGERS: The individuals, including the Directors, who have the power and responsibility to plan and control the Company's activities, directly or indirectly.

DIVIDEND EQUIVALENT: The allocation to the Beneficiaries of additional shares at the end of the vesting period, in an equivalent number to the ordinary and extraordinary dividends paid out by INWIT during the vesting period which would have been due based on the number of shares actually held by the Beneficiaries according to the performance levels achieved under the conditions in the Plan.

EBITDA: Profits inclusive of interest payable, taxes, depreciation and amortization of intangible and intangible assets. This is the measurement that verifies whether a company or group of companies can make a profit from ordinary operations.

GATE: The "gate" condition in the MBO, which, if not realized, means that the bonus will not be paid.

TARGET INCENTIVE (OR BONUS): The bonus which can be received by an individual beneficiary on reaching the target performance level set in the objectives.

JOB EVALUATION : a methodology that measures the value or weighting of positions within an organization expressed in terms of points or grades.

KEY PERFORMANCE INDICATOR (KPI): the indicator that identifies the measurement of performance and the reaching of set objectives.

LOCK-UP: The period of time after the allocation of Shares, during which the Shares are unavailable.

MANAGEMENT BY OBJECTIVE (MBO): The short-term incentive plan that allows the recipient to receive an annual cash bonus based on the reaching of objectives set ex ante, agreed with each individual participating in the Plan.

MANAGEMENT: All the managers of company departments appointed by order of the Company.

VESTING (OF PERFORMANCE SHARES): The time of Board approval of the Company's financial statements (or, if the conditions are met, of the Consolidated financial statements of the Group to which the Company belongs), on 31 December 2020 with simultaneous verification of the degree to which the performance levels have been met.

PERFORMANCE LEVELS: The performance objectives in the Plan, which must be reached if the Shares are to be allocated

PAY MIX: The composition of an individual's pay package, which are the fixed remuneration, variable short-term, and long-term remuneration.

PEER GROUP: The group of companies operating in the tower company sector within which the positioning of INWIT's share performance is measured

PERFORMANCE MANAGEMENT: A system used to evaluate an individual's contribution, based on international best practices. It is based on the fundamental principle that the enterprise contribution is supported by performance, by individual merit, and by the adoption of a model of competencies adopted in the TIM Group.

PERFORMANCE SHARES: This indicates the promise of free allocation to the beneficiaries of a minimum and maximum number of Rights to receive Shares on Vesting, in a number commensurate with the respective fixed and variable remuneration, ranging from a minimum to a maximum based on the degree to which the performance levels are reached.

VESTING PERIOD: The period that separates the time of allocation of the Plan from the time of Vesting of the Performance Shares.

DIRECTORS AND OFFICERS POLICY (D&O) : Insurance cover for civil liability (professional risks) for the entire managerial population of INWIT and the members of the corporate bodies..

TENANCY RATIO: One of the main indicators of the performance of a tower company representing the number of tenants on its sites.

RECURRING FREE CASH FLOW: EBITDA – Recurring Capex – Delta Working Capital – Cash Taxes – Cash Interests

REGULATION: This is the document that sets out the terms and conditions applicable to the Plan, and which implements them. The Regulation will be passed by the Board of Directors of the Company at the proposal of the Nomination and Remuneration Committee, following approval of the Plan by the Meeting of Shareholders.

GROSS ANNUAL SALARY (RAL): This is the gross annual salary paid, including only the fixed components of remuneration for work as employee, excluding benefits paid as a result of the employment contract and anything paid on an occasional basis by way of expense reimbursement and any bonus or variable component, even if defined as guaranteed and/or paid as a one-off or on an ongoing, repeated or deferred basis, the share of severance pay and any other indemnity provided for by law and by the applicable collective labor agreement.

SCORE CARD: the score card of objectives used in the MBO.

TOTAL SHAREHOLDERS RETURN (TSR): The indicator that measures the total return on a share as the sum of the following components: (i) capital gain: The relationship between the change in the share price (the difference between the price recorded at the end and start of the reference period) and the share price recorded at the start of that period; (ii) dividends reinvested: the impact of all the dividends paid and reinvested in the share on the coupon detachment date. The Total Shareholder Return measures the TSR positioning of INWIT, in the ranking of TSRs of a peer group of Italian and international tower companies, identified in the Plan Regulations.

TOWER COMPANY: Infrastructure companies operating in the sector of electronic communications infrastructure, and specifically, offering integrated hosting services at their sites, for re-transmission systems and devices owned by their clients.

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

SHARE VALUE: This indicates the value determined according to the arithmetical average of the official prices of the ordinary shares of INWIT S.p.A. on the Electronic Stock Market run by Borsa Italiana S.p.A. during the 30 calendar days prior to the reference date.