



TIM GROUP

Infrastrutture Wireless Italiane S.p.A.

INWIT

2018 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 2 March 2018

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INTRODUCTION

This document (the “Report”), approved by the Board of Directors on 02 March 2018, 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 2018 remuneration of Directors and Key Managers with Strategic Responsibilities (hereinafter also “Key Managers”), specifying the general objectives to be achieved, the bodies involved and the criteria used for its design and implementation;
- in Section 2, the remuneration paid in 2017 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 2017 Financial Statements and express its non-binding opinion on the Section 1 of this Report, pursuant to the applicable laws.

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. The Company also offers new innovative services, such as backhauling and micro-cell coverage.

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).

The 2017 results have confirmed the solidity of the Company's path to growth. The target of "low teens" growth in EBITDA was achieved.

Revenues increased thanks to the growth in the number of new customers who chose INWIT's infrastructure, increasing the co-tenancy to over 1.8, from 1.55. The Company has also been able to broaden its business portfolio by creating new sites and proposing new infrastructure services, such as backhauling and micro-cell coverage.

The cost efficiency initiative has continued, through the gradual and continual reduction of lease costs and the maintenance of a "lean" organisation, attested by the careful and selective growth in the number of new members of staff recruited.

The development path for 2017 involved the whole company organisation: the results are the continual improvement in the core businesses overseen by the Business Management & Operations department that have been certified compliant with the ISO 9001 standard, the recruitment of new members of staff, the training in new skills, and the evolution of the IT systems and business support services.

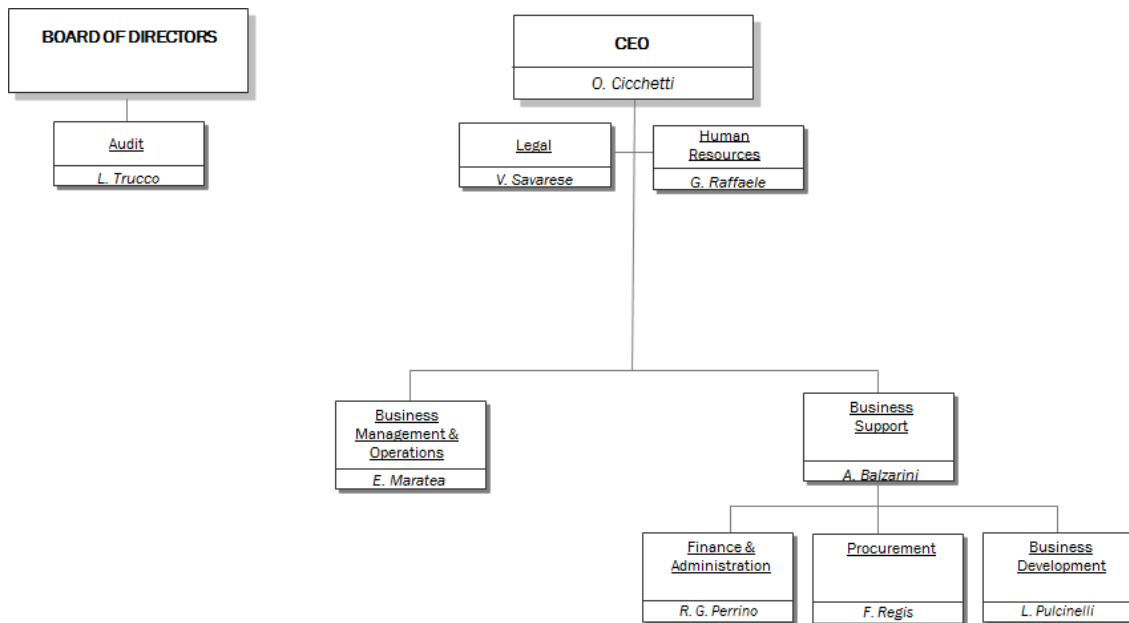
ORGANISATIONAL STRUCTURE AND KEY MANAGERS

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 assuring the development of hosting revenues, through the creation of new sites and enhancement of existing ones, the optimisation of lease costs, the implementation of new services and, in particular, of micro-cell coverage and backhauling. To do this, the department has assigned to it all the operational levers, and responsibility for the sale and post-sale processes, management of site operations and assets and other productive company assets. The department has 4 divisions - North West, North East, Centre and South, to oversee activities at local level;
- the **Business Support** department, which is responsible for ensuring the coordination of the *Finance & Administration, Procurement and Business Development* departments;
- 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, 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.

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



The Key Managers of INWIT with strategic responsibilities are:

KEY MANAGER	ORGANISATIONAL STRUCTURE
EMILIO MARATEA	HEAD OF BUSINESS MANAGEMENT & OPERATIONS
ANDREA BALZARINI*	HEAD OF BUSINESS SUPPORT
RAFAEL GIORGIO PERRINO	HEAD OF FINANCE & ADMINISTRATION

* Key Manager of the Company from 1 August 2017, replacing Silvia Ponzoni, who left the company on 31 July 2017.

At 31 December 2017, INWIT had a total of 97 employees.

FIRST SECTION: 2018 REMUNERATION POLICY

1. EXECUTIVE SUMMARY

In coherence with the Guidelines of Parent Company TIM S.p.A., INWIT's 2018 Remuneration Policy reflects the fundamental objectives proclaimed in previous years, which are to promote the alignment of the interests and work of the management with the strategies of the company, to promote value creation for the shareholders, and to stimulate the management's engagement in achieving the company's targets and business challenges.

The new elements in the 2018 remuneration policy are:

- the introduction of a long-term incentive for the period 2018-2020. With this newly introduced tool, the company intends:
 - (i) to strengthen the alignment of the interests of the beneficiary managers with those of the shareholders, making remuneration conditional on specific performance objectives, the achievement of which is closely linked to improved company performance and long term growth in the value of the company; (ii) to contribute to manager retention, aligning company remuneration policy with market best practice, which typically includes long term incentive tools;
- to reduce the percentage weight assigned to the performance management objective in the short-term incentive as it featured in the first MBO cycle, to develop management's awareness of the behaviour model defined at Group level. This is now at regime.

The overall remuneration structure envisages a fixed component, a short-term variable component and a long-term variable component. These components must be adequately balanced: the fixed one must fairly reflect the assigned responsibilities, while the variable one is defined within maximum limits, and intended to anchor remuneration to actual performance.

The rationale and characteristics of the various components 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 the individual performance trend into account. 	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 predetermined annual economic-financial and quantitative-operational objectives 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
Long 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 Envisages the allocation of shares, free of charge, conditional upon achieving performance parameters (Performance Share tool) Has a three-year timeline, in accordance with the Strategic Plan Envisages a maximum payout with a cap of 150% of the target bonus. Envisages a lock-up period Has a clawback clause. 	Chief Executive Officer, Key Managers
Non-monetary benefits	<ul style="list-style-type: none"> Company car for mixed use 	Chief Executive Officer
	<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 	Key Managers, Managers

In order to define the 2018 remuneration policy, the Company undertook a remuneration survey , with the support of a major consultancy. This allowed it to compare the remuneration of INWIT's management, and that of the Key Managers in particular, with the remuneration observed in the external market taken as reference.

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, Giuseppe Gentili, Luca Aurelio Guarna and Filomena Passeggio. Mr Guarda and Ms Passeggio were appointed members of the Committee by the Board of Directors, on 28 April 2017, after the number of its members was increased from three to five.

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
▪	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, in case he or she is unable to participate, another Statutory Auditor designated by the Chair of the Board of Auditors.

During 2017 the Nomination and Remuneration Committee met 9 times, and all members attended the meetings, with a 94% attendance rate.

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

- finalisation of the 2016 short term variable remuneration of the Chief Executive Officer, the Key Managers and the Head of Audit;
- review and definition of the 2017 remuneration policy;
- analysis and checking of the targets for the 2017 short term incentive scheme, particularly with regard to the score card of the Chief Executive Officer, the Key Managers and, in agreement with the Control and Risk Committee, the Head of Audit;
- preparation of the 2017 Report on Remuneration
- completion of the investigation to define the succession planning process for the Chief Executive Officer, and the replacement tables, and checking that they had actually been implemented.
- delivery of the 2017 board evaluation, with the support of a consultancy firm;
- formulation of the proposal to divide up the total annual remuneration of the Board of Directors, established by the Shareholders' meeting on 20 April 2017 last, following the redetermination of the number of Board members, and the appointment of Mr Guarda, Ms Passeggio, Mr Nuzzolo and Mr Recchi as Directors.

Board of Directors

The Shareholders' Meeting on 20 April 2017 approved the proposal to increase the number of members of the Board of Directors from eleven to fifteen; eight Directors (Paola Bruno, Primo Ceppellini, Cristina Finocchi Mahne, Alessandro Foti, Giuseppe Gentili, Luca Aurelio Guarna, Filomena Passeggio and Paola Schwizer) possess the requirements of independence specified in legislative decree 58/1998 and in the Corporate Governance Code.

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. 2018 REMUNERATION POLICY TOOLS AND GUIDELINES

The aim of the INWIT Remuneration Policy is 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 stakeholders, 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 2018 remuneration policy, also in coherence with the Guidelines of the Parent Company, TIM S.p.A., confirms the overall approach adopted in 2017, and takes account of some changes that are reflected in the short-term variable remuneration and the newly introduced long-term variable remuneration.

FIXED REMUNERATION

This component is defined in coherence with the complexity of the role assigned to the Manager. For this reason, a system of assessment of roles using recognised and internationally certified methods to measure the breadth and complexity of positions of organisational responsibility, was introduced into INWIT from its founding. Every year the company carried out a pay investigation, always with the support of a primary management consultancy firm, which enables it to compare the remuneration of its management with the data observed in the selected external market, composed of a sample of companies comparable to INWIT, in terms of business and/or best practices.

The changes made to the fixed remuneration take account of the importance of the role, its responsibilities, and alignment with the pay values observed in the selected external market.

SHORT TERM VARIABLE REMUNERATION

Management by Objectives (MBO) is the short term (annual) variable bonus tool that aims to support the achievement of the Company's annual objectives through the attribution of challenging targets.

The beneficiaries of the variable component are the Chief Executive Officer, the Key Managers and all heads of company departments, for a total of 20 Managers.

The target bonus is determined as a percentage of the fixed remuneration: the percentage is defined according to the complexity of the role held and alignment with the information on remuneration observed in the external market.

The objectives, set with reference to quantitative indicators, are coherent with the strategic priorities defined in the strategic plan, and are measured according to predefined and objective criteria; in continuity with previous years, the objectives have a target value, which is equal to the budget value, and minimum and maximum values, determined with a variable breadth, according to the specific objective.

The score card includes the following objectives:

- group objective represented by TIM Group Budget EBITDA, which acts as a gate for the bonus system. 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;
- 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, meaning a specific company department;
- Performance Management objectives: the new element, a remodulation of the weight attached. In the 2018 score card, a weight of 20% is assigned to the performance management objective, compared to the 30% assigned in previous years' score cards. As a consequence of this remodulation, the weight assigned to the other company/departmental objectives is increased by 10% in the 2018 score card, as the diagram on the next page shows.

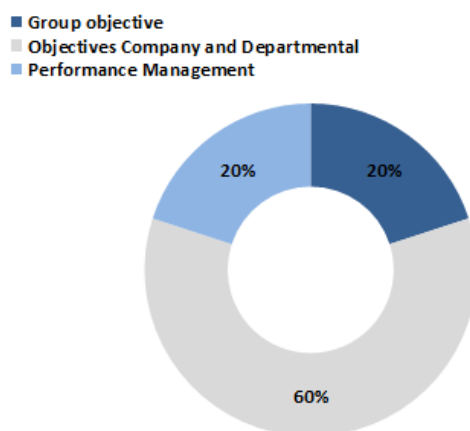
It should be recalled that the Performance Management section - which is applied for all the Management in the bonus scheme, apart from the Chief Executive Officer - consists of:

- 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 - 75% - 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 always used to assess them.

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 Minimum Level	70%
All objectives at Target Level	100%
All objectives at Maximum Level	140%

All the KPIs on the score card are made definitive after the closing of the 2018 financial year: so the bonus deriving from the finalisation of the MBO will be paid in the following year.

As was done last year, a contractual clawback mechanism is applied to the MBO which enables the company to recover the variable remuneration allocated to Managers.

LONG TERM VARIABLE REMUNERATION

The "2018-2020" Long Term Share-based Incentive Plan (the "Plan" or the "LTI") is a share-based performance plan that allocates to the Beneficiaries Rights to receive shares free of charge at the end of the three year period (the vesting period).

With this newly introduced tool, the company intends:

- to strengthen the alignment of the interests of the beneficiary managers with those of the shareholders, linking remuneration to specific performance objectives, achievement of which is closely linked to improvement in the performance of the company and the growth in its value, in the long term;
- to contribute to the retention of the beneficiary Managers, developing their engagement with the achievement of the growth objectives defined in the strategic plan over the next three year period;
- to align the company's remuneration policy to market best practice, which typically uses long term incentive tools.

The Plan applies to the Chief Executive Officer, who will be appointed by the Board of Directors following the renewal of the board by the Shareholders' Meeting called for 13 April 2018. The Company's Key Managers with Strategic Responsibilities and other Managers who hold critical roles are also beneficiaries of the Plan.

The Plan prescribes a single allocation cycle, it remaining the case that the Board of Directors may, based on a proposal formulated by the Chief Executive Officer, allocate Performance Shares during the Vesting Period, according to the rules that will be defined in the Plan Regulation, in any event not after the month of January 2019, and within the maximum limit of the number of Shares reserved to service the Plan.

The number of Performance Shares awarded to each Beneficiary on target at the moment the Plan is assigned corresponds to a percentage of the person's fixed remuneration (fixed compensation in the case of the Chief Executive Officer) expressed in Shares at their price on that date, multiplied by the number of business years from allocation to vesting (the vesting period).

In particular, the number of Performance Shares allocated to the Chief Executive Officer is equivalent to 50% of his fixed compensation, if the target level is reached, or 75% if the achievement should be at maximum (cap). For the other Beneficiaries, the number of Performance Shares allocated can be equivalent to 25% of the fixed remuneration, if the target level is reached, or 37.5% if the achievement should be at maximum (cap).

The shares will only vest if specific performance parameters are achieved. These are identified in detail in the Plan Regulation, and are the Relative Total Shareholder Return measured in the period 2018 - 2010,

with a weight of 60%, and the Cumulative Recurring Free Cash Flow over the three year period, specified in the Strategic Plan, with a weight of 40%.

If the performance parameters are not achieved, the shares will not be allocated.

The mechanisms by which the performance parameters operate shall be defined in the Regulation that will be approved in due course by the Board of Directors, after the approval of the Plan by the Shareholders' Meeting on 13 April 2018.

Treasury shares obtained through purchases made pursuant to articles 2357 and 2357-ter of the Italian Civil Code, which will be subject to the authorisation of the Ordinary Shareholders' Meeting on 13 April 2018, will be used for this purpose. To this end, in fact, the Board of Directors resolved, on 2 March 2018, to submit the proposal to authorise the buy back and making available of treasury shares to service the Plan to the Shareholders' Meeting.

The Plan shall expire in 2020 upon the Vesting of the Performance Shares, with consequent crediting of the Shares to the securities accounts of the Beneficiaries.

At the moment of Vesting of the Performance Shares, additional shares will be allocated the Beneficiaries (dividend equivalent), in a number equivalent to the ordinary and extraordinary dividends distributed by INWIT during the Vesting Period that would have been payable on the number of shares actually attributed to the Beneficiaries as a result of the performance levels they achieved in the terms and at the conditions prescribed by the Plan.

At the end of the vesting period, the Plan prescribes that 50% of the Shares Allocated to the Chief Executive Officer and 30% of the Shares allocated to the other Beneficiaries shall be subject to lock-up periods of 24 months and 12 months respectively, after the end of the Vesting Period. During this period the Allocated Shares subject to lock-up may not be transferred and/or sold, other than in *mortis causa*, nor may they be subject to any restrictions of any kind. If the Vesting Period should be accelerated following a Change of Control or Delisting of the Company, the Allocated Shares will not be subject to any lock-up.

The shares allocated as dividend equivalent will not be subject to lock-up.

The contractual clawback mechanism will be applied to the Plan.

The Shareholders' Meeting will be asked to confer on the Board of Directors all necessary and opportune powers to implement the Plan, to be exercised in accordance with the principles laid down in this Information Document; the decisions about the Plan will be taken by the Board after having obtained the opinion of the Nomination and Remuneration Committee.

The Board of Directors may also decide to allocate the Shares to the Beneficiaries before the end of the Vesting Period in cases of Change of Control or Delisting of the Company, as set out in the Plan Regulation, after having obtained the opinion of the Nomination and Remuneration Committee.

If the Vesting Period should be accelerated following a Change of Control or Delisting of the Company, the Allocated Shares will not be subject to any lock-up.

The Company avails itself of professional support from the Mercer consultancy firm for the activities relating to the implementation and management of the LTI plan.

BENEFITS

The Benefits provided for the Company management are similar to those defined for senior executives and middle management, additional to the provisions of the reference CCNLs, or national collective labour agreements (the CCNL for senior executives and middle management 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.

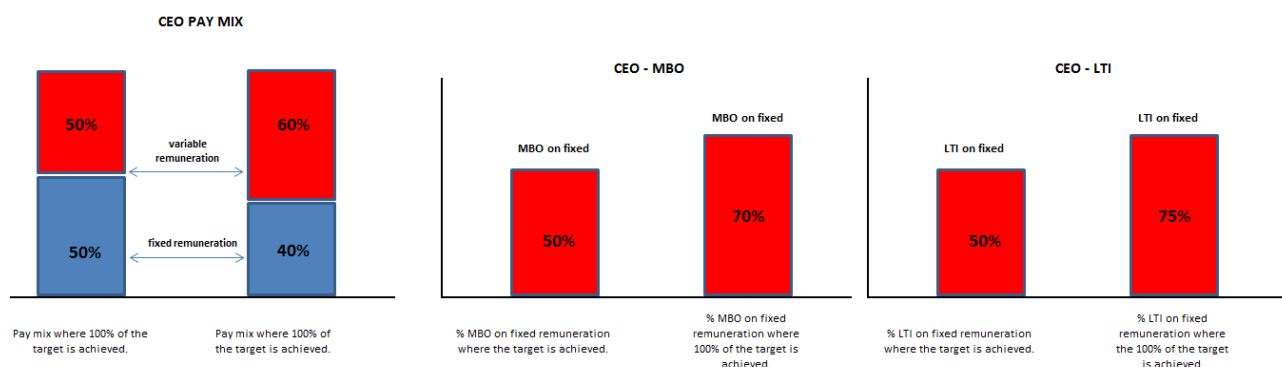
Remuneration of the Chief Executive Officer

The remuneration of the Chief Executive Officer will in due course be determined by the Board of Directors appointed by the Shareholders' Meeting to be held on 13 April 2018.

The remuneration (broken down into a fixed component and a short-term variable component, the general architecture of which is described below) will be resolved on pursuant to article 2389, subsection 3 of the Italian Civil Code, as proposed by the Nomination and Remuneration Committee, after hearing the opinion of the Board of Statutory Auditors.

As is standard practice, it will be an all-inclusive compensation, renouncing participation in the division of the remuneration established by the Shareholders' Meeting for the Board as a whole pursuant to article 2389, subsection 1 of the Italian Civil Code, and it will be accompanied by benefits similar to those envisaged for the key managers of the Company. Like all the Company's management, the Chief Executive Officer will be covered by a "professional risks policy", known as a Directors & Officers policy.

The pay mix envisaged for 2018, and the MBO and LTI as percentages of fixed remuneration, when the objectives have been achieved at target and at maximum are described below.



Short term incentive

The score card for the 2018 MBO assigned to the Chief Executive Officer will be determined as follows:

- The Budget 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 lease costs, to which a share of the amortisation of the capital expenditure to acquire land and surface rights is added
- development of the programme to build macro-sites, backhauling links and micro-cell coverage, presented by the Distributed Antenna System and Small Cells, and, finally equipment for the Internet of Things. This objective has been extended from the 2017 objective, to include other innovative services such as backhauling and the development of the Internet of Things, in coherence with the policies in the Strategic Plan.

The diagram below shows the score card of the objectives^(*) assigned to the Chief Executive Officer:

OBJECTIVE	weight	Minimum VS Target	Target	Maximum VS Target
1. TIM Group Budget EBITDA (gate)*	20%	-5%	TIM Group Budget EBITDA	+5%
2. INWIT EBITDA	30%	-1%	budget	+10%
3. Lease Costs + (capex purchases of land and surface rights)/6	25%	+1%	budget	-9%
4. Number of Creations (New Sites, Small Cells, DAS, Backhauling, Internet Of Things)	25%	-5%	budget	+5%
Total objectives	100%			
The presence of INWIT profits posted in the financial statements is a necessary condition for the payment of the accrued bonus				

Long term incentive

The Chief Executive Officer will be included, according to the arrangements described in paragraph 3, in the Company's "Long Term Share-based Incentive Plan 2018-2020" an allocation of shares, for each year of the plan, equivalent to 50% of the fixed remuneration if the target level is reached, and up to 75% if the maximum level is reached (cap).

If the performance parameters are not achieved, the shares will not be allocated.

^(*) For how the gate operates, see paragraph 3.

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

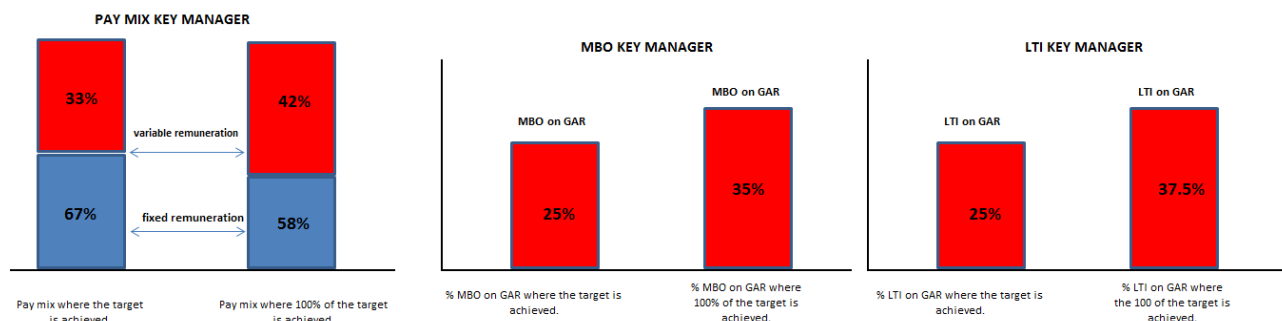
Remuneration of Key Managers with Strategic Responsibilities

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 is developed by taking account of the individual's role and pay situation in terms of gross annual remuneration and variable remuneration compared to the median pay data of the reference market.

The pay mix of the Key Managers and the percentages of fixed remuneration that the short-term and long-term variable remuneration correspond to is described below.



Short term incentive

The total amount of the variable short-term bonus defined for the Key Managers for 2018 is 25% of their fixed remuneration, if 100% of the target is reached, rising to a maximum of 35% if they achieve 140% of the target.

Payment of the short-term 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.

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

OBJECTIVES	KPIs	Weight
GROUP	o TIM Group Budget EBITDA (gate)*	20%
COMPANY	o Inwit EBITDA	Company and Departmental 60%
DEPARTMENTAL	<p>Reflect the specific activity of a subset of the organisation, meaning the department for which the Manager is responsible Below are some examples of departmental objectives:</p> <ul style="list-style-type: none"> • Lease Costs + (capex purchases of land and surface rights)/6 • Number of Creations (New Sites, Small Cells, DAS, Backhauling, Internet Of Things) • Adoption of a new Building Information Modelling system • Optimization of the management control system • Improvement of commercial credit measured using Day Sales Outstanding (DSO) 	
PERFORMANCE MANAGEMENT	<ul style="list-style-type: none"> o individual, correlated with the role o behaviour role of the single person with respect to the Group's skills model 	20%
The presence of INWIT profits posted in the financial statements is a necessary condition for the payment of the accrued bonus		

Long term incentive

The Key Managers will be included, according to the arrangements described in paragraph 3, in the Company's "Long Term Share-based Incentive Plan 2018-2020" with an allocation of shares, for each year of the plan, equivalent to 25% of the fixed remuneration if the target level is reached, and up to 37.5% if the maximum level is reached (cap).

If the performance parameters are not achieved, the shares will not be allocated.

Benefits

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);

(*) For how the gate operates, see paragraph 3.

- 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 severance payments¹, stability pacts or non-competition undertakings 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 total remuneration for the Board of Directors, as defined, will be the object of a resolution by the Shareholders' Meeting called for 13 April 2018, which will also be called on to resolve on the renewal of the Board of Directors for the 2018-2020 mandate.

This remuneration (net of remuneration for special offices) will be established in the form of a maximum total amount, subject to subsequent division among the members, after evaluation by the Nomination and Remuneration Committee, based on the distribution of work and according to the internal organisation that the Board of Directors wishes to set up for itself.

The amount resolved will in any case represent a maximum amount, which over the last three years has never been used in full.

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.

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.

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

For the months from January 2018 until the new Board takes office, the members of the current Board of Directors will receive the remuneration resulting from the new division defined by the Board of Directors on 25 July 2017, after the increase in the number of Directors from 11 to 15 approved by the Shareholders' Meeting on 20 April 2017.

The subsequent meeting of the Nomination and Remuneration Committee, after the analyses it carried out, proposed to attribute the following sums to the new Directors for serving on the Board of Directors and for membership of the Board's internal Committees, in line with the sums allocated to the other Directors;

- 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, apart from Mr Nuzzolo, who has renounced his fee.

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 and 25,000 euros gross for the Chair;
- 15,000 euros gross per annum for each member of the Nomination and Remuneration Committee and 20,000 euros gross for the Chair.

The remainder of the total sum as resolved by the Shareholders' Meeting on 20 April 2017, equal to 18,000 euros, reserved for subsequent use by the committees and/or for other special tasks, had not been used as at the date of approval of this Report.

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

The succession plan for the Executive Directors and the replacement tables for the Chief Executive Officer and Key Managers of INWIT were approved by the Board of Directors on 16 March 2017, after evaluation by the Nomination and Remuneration Committee.

The definition of the succession plan and of the related process of managing the replacement tables is a response to the objective of ensuring that business continuity risk is managed, critical organisational positions safeguarded and, last but not least, that the managerial potential of the best in-house talents is developed.

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.

During 2017 the Human Resources department reported to the Nomination and Remuneration Committee on the implementation of the replacement tables that had been drawn up by identifying a group of candidates, performing the assessment activities, and building a readiness matrix. For the assessment activities, the Human Resources department made use of the support of major management consultancy firms.

SECTION TWO: REMUNERATION SUMMARY FOR THE 2017 FINANCIAL YEAR

INTRODUCTION

This Remuneration Report illustrates the policy implemented by INWIT in 2017 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 2017 MBO approved by the Board of Directors envisaged the following objectives:

OBJECTIVE		weight
1	TIM Group EBITDA (gate)	20%
2.	INWIT EBITDA	30%
3.	Lease 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		

The results for the 2017 financial year, approved by the Board of Directors in its meeting on 2 March 2017, led to the determination of a performance score of 132.18% on the measurement scale used.

The application of this score determines that the Chief Executive Officer accrued a bonus of €264,360, equivalent to 66% of the fixed annual gross remuneration.

The detailed analysis of the pay received in 2017 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;
- Andrea Balzarini, Head of the Business Support department from 1 August 2017, replacing Silvia Ponzoni who left the Company on 31 July 2017 upon the consensual termination of her contract of employment;
- Rafael Giorgio Perrino, Head of the Finance & Administration Department.

The total remuneration received by the Key Managers of the Company during 2017 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 2017 financial year, approved by the Board in its meeting on 2 March 2018, led to the determination of an average overall performance score of 119.43% on the measurement scale used.

The application of this score determined that the total bonus accrued was €105.158¹, which will be paid during the first half of 2018.

For details of the 2017 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 2017, the non-executive Directors received the fixed annual remuneration approved by the Shareholders' Meeting on 15 May 2015 and on 20 April 2017, when the number of members of the Board was increased, divided pursuant to the resolutions made by the Board of Directors on 27 July 2015 and on 25 July 2017:

- 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 (apart from Mr Nuzzolo, appointed on 20 April 2017, who renounced his fee).
- 20,000 euros gross per annum for each member of the Control and Risk Committee and 25,000 euros gross for the Chair;
- 15,000 euros gross per annum for each member of the Nomination and Remuneration Committee and 20,000 euros gross for the Chair, with effect from the date of the board resolution that increased the number of members of the Committee (28 April 2017), with an increase of 5,000 euros each compared with the remuneration previously allocated to them. The increase was necessitated by the increased workload of the Nomination and Remuneration Committee since its creation, also attested by the high number of meetings held.

The remainder of the total sum, equal to 18,000 euros, reserved for subsequent use by the committees and/or for other special tasks, had not been used as at the date of approval of this Report.

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.

¹The bonus paid takes account of the reportioning applied for Mr Balzarini, in relation to his confirmation in the role.

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 (Chair) and Standing Auditors Umberto La Commara e Michela Zeme. The alternate Auditors are Guido Paolucci and Elisa Menicucci.

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 2017 financial year is shown below in Table 1 of Part Two of this section.

PART 2

TABLES OF FEES PAID IN 2017

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 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" column contains the information on compensation for end of office or termination of employment paid during the year.

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 term of office	Fixed remuneration	Compensation for involvement in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Compensation for loss of office or termination of employment
						Bonuses and other incentives	Profit sharing					
Francesco Profumo	Chairman	01/01/2017-31/12/2017	approval of 2017 financial statements	75.000						75.000		
Oscar Cicchetti	Chief Executive Officer	01/01/2017-31/12/2017	approval of 2017 financial statements	400.000		264.360		3.760		668.120		
Paola Maria Gina Schwizer	Director	01/01/2017-31/12/2017	approval of 2017 financial statements	45.000	25.000					70.000		
Primo Ceppellini	Director	01/01/2017-31/12/2017	approval of 2017 financial statements	45.000	20.000					65.000		
Alessandro Foti	Director	01/01/2017-31/12/2017	approval of 2017 financial statements	45.000	20.000					65.000		
Cristina Finocchi Mahne	Director	01/01/2017-31/12/2017	approval of 2017 financial statements	45.000	18.397					63.397		
Paola Bruno	Director	01/01/2017-31/12/2017	approval of 2017 financial statements	45.000	13.397					58.397		
Giuseppe Gentili	Director	01/01/2017-31/12/2017	approval of 2017 financial statements	45.000	13.397					58.397		
Filomena Passaggio	Director	20/04/2017-31/12/2017	approval of 2017 financial statements	31.562	23.781					55.342		
Luca Aurelio Guarna	Director	20/04/2017-31/12/2017	approval of 2017 financial statements	31.562	23.781					55.342		
Giuseppe Recchi	Director	20/04/2017-31/12/2017	approval of 2017 financial statements	31.562						31.562		
Piergiorgio Peluso	Director	01/01/2017-31/12/2017	approval of 2017 financial statements	45.000						45.000		
Agostino Nuzzolo	Director	20/04/2017-31/12/2017	approval of 2017 financial statements	0						0		
Saverio Orlando	Director	16/03/2017-31/12/2017	approval of 2017 financial statements	35.877						35.877		
Venanzio Iacozzilli	Director	01/01/2017-08/03/2017 07/11/2017-31/12/2017	approval of 2017 financial statements	15.041						15.041		
Elisabetta Colacchia	Director	01/01/2017-31/07/2017	approval of 2017 financial statements	26.137						26.137		
(I) Compensation in the company drawing up the financial statements				961.740	157.753	264.360		3.760		1.387.613		
(II) Remuneration from subsidiaries and associates												
(III) Total				961.740	157.753	264.360		3.760		1.387.613		

NOTES:

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

Oscar Cicchetti: the amount in column 1) refers to the fixed remuneration, pursuant to article 2,389, subsection 3, of the Italian Civil Code, resolved by the Board of Directors; in column 3) it refers to the amount paid pursuant to art. 2389, subsection 3 of the Italian Civil Code, as the "bonus" payable for the year for the objectives achieved in that year; column 4) shows the value of the fringe benefits assigned (company car for mixed use), according to the accrual and whether or not they were taxable.

Paola Maria Gina Schwizer: the amount in column 1) refers to the remuneration received as a member of the Board of Directors; in column 2) it refers to the remuneration received as Chair of the Control and Risk Committee

Primo Ceppellini: the amount in column 1) refers to the remuneration received as a member of the Board of Directors; in column 2) it refers to the remuneration received as member of the Control and Risk Committee

Alessandro Foti: the amount in column 1) refers to the remuneration received as a member of the Board of Directors; in column 2) it refers to the remuneration received as member of the Control and Risk Committee

Cristina Finocchi Mahne: the amount in column 1) refers to the remuneration received as a member of the Board of Directors; in column 2) it refers to the remuneration received as Chair of the Nomination and Remuneration Committee

Paola Bruno: the amount in column 1) refers to the remuneration received as a member of the Board of Directors; in column 2) it refers to the remuneration received as a member of the Nomination and Remuneration Committee

Giuseppe Gentili: the amount in column 1) refers to the remuneration received as a member of the Board of Directors; in column 2) it refers to the remuneration received as a member of the Nomination and Remuneration Committee

Filomena Passaggio: the amount in column 1) refers to the remuneration received as a member of the Board of Directors; in column 2) it refers to the remuneration received as a member of the Nomination and Remuneration Committee and of the Control and Risk Committee

Luca Aurelio Guarna: the amount in column 1) refers to the remuneration received as a member of the Board of Directors; in column 2) it refers to the remuneration received as a member of the Nomination and Remuneration Committee and of the Control and Risk Committee

Giuseppe Recchi: the amount in column 1) refers to the remuneration received as a member of the Board of Directors

Piergiorgio Peluso: the amount in column 1) refers to the remuneration received as a member of the Board of Directors. The fee is not received by the person concerned but paid to Telecom Italia.

Agostino Nuzzolo: Mr. Nuzzolo, appointed a member of the Board of Directors on 20 April 2017, renounced the remuneration.

Saverio Orlando: the amount in column 1) refers to the remuneration received as a member of the Board of Directors. The fee is not received by the person concerned but paid to Telecom Italia.

Venanzio Iacozzilli: the amount in column 1) refers to the remuneration received as a member of the Board of Directors. The fee is not received by the person concerned but paid to Telecom Italia.

Elisabetta Colacchia: the amount in column 1) refers to the remuneration received as a member of the Board of Directors. The fee was not received by the person concerned but paid to Telecom Italia.

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 term of office	Fixed compensation	Remuneration for involvement in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Compensation for loss of office or termination of employment
						Bonuses and other incentives	Profit sharing					
Enrico Maria Bignami	Chairman of the Board of Statutory Auditors and Supervisory Body	01/01/2017-31/12/2017	approval of 2017 financial statements	45.000						45.000		
Umberto La Commara	Standing Auditor and member of the Board of Statutory Auditors	01/01/2017-31/12/2017	approval of 2017 financial statements	30.000						30.000		
Michela Zeme	Standing Auditor and member of the Board of Statutory Auditors	01/01/2017-31/12/2017	approval of 2017 financial statements	30.000						30.000		
(I) Remuneration in the company drawing up the financial statements				105.000						105.000		
(II) Remuneration from subsidiaries and associates												
(III) Total				105.000						105.000		

Key managers with strategic responsibilities

(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 term of office	Fixed compensation	Remuneration for involvement in committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Compensation for loss of office or termination of employment
						Bonuses and other incentives	Profit sharing					
Key Managers with Strategic Responsibilities												
(I) Compensation in the company drawing up the financial statements				434.322		105.158		11.096		550.576		450.000
(II) Remuneration from subsidiaries and associates												
(III) Total				434.322		105.158		11.096		550.576		450.000

NOTES:

The remuneration figures refer to all the individuals who held positions as Key Managers with Strategic Responsibilities during the 2017 financial year, or any part thereof (4 managers).

In column 1) the remuneration of Ms Ponzoni refers to the period from 01/01/2017 to 31/07/2017; in columns 1) and 3) the fixed remuneration and bonus of Mr. Balzarini refer to the period from 01/08/2017 (the date of his appointment as a key manager with strategic responsibilities) to 31/12/2017.

The remuneration refers to payment for work as an employee, including welfare contributions and tax payable by the employee.

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

TABLE 3B: Monetary incentive plans for members of the management body and key managers with strategic responsibilities

Monetary incentive plans for members of the management and control body

A Last name and first name	B Office	(1) Plan	(2) Bonus for the year			(3) Bonus for previous years			(4) Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still Deferred	
Oscar Cicchetti	Chief Executive Officer	2017 MBO resolution of the INWIT BoD of 28 March 2017	264.360						
(I) Compensation in the company drawing up the financial statements			264.360						
(II) Remuneration from subsidiaries and associates									
(III) Total			264.360						

Monetary incentive plans for key managers with strategic responsibilities

A Last name and first name	B Office	(1) Plan	(2) Bonus for the year			(3) Bonus for previous years			(4) Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still Deferred	
Key managers with strategic responsibilities		2017 MBO Letter dated 04/05/201 and 27/07/2017	105.158						
(I) Compensation in the company drawing up the financial statements			105.158						
(II) Remuneration from subsidiaries and associates									
(III) Total			105.158						

The Bonus refers to all the individuals who held the position of Key Managers with Strategic Responsibilities during the 2017 financial year, or any part thereof (4 managers)
Mr Balzarini's compensation refers to the period 01/08/2017-31/12/2017 (appointed manager with strategic responsibilities by the BoD meeting held on 25/07/2017).

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.

Board of Directors						
Name and surname	Investee Company	Category of shares	No of shares owned at the end of the 2016 financial year (or on the date of appointment)	No. of shares purchased during the 2017 financial year	No. of shares sold during the 2017 financial year	Number of shares owned at the end of the 2017 financial year (or on the date of termination of office if earlier)
Francesco Profumo			none	none	none	none
Oscar Cicchetti	INWIT	Ordinary	38.250	none	none	38.250
Paola Maria Gina Schwizer			none	none	none	none
Primo Ceppellini			none	none	none	none
Alessandro Foti			none	none	none	none
Cristina Finocchi Mahne			none	none	none	none
Paola Bruno			none	none	none	none
Giuseppe Gentili			none	none	none	none
Filomena Passeggio			none	none	none	none
Luca Aurelio Guarna			none	none	none	none
Giuseppe Recchi			none	none	none	none
Piergiorgio Peluso			none	none	none	none
Agostino Nuzzolo			none	none	none	none
Saverio Orlando			none	none	none	none
Venanzio Iacozzilli			none	none	none	none
Elisabetta Colacchia			none	none	none	none
Board of Statutory Auditors						
Name and surname	Investee Company	Category of shares	No of shares owned at the end of the 2016 financial year (or on the date of appointment)	No. of shares purchased during the 2017 financial year	No. of shares sold during the 2017 financial year	Number of shares owned at the end of the 2017 financial year (or on the date of termination of office if earlier)
Enrico Maria Bignami			none	none	none	none
Umberto La Commara			none	none	none	none
Michela Zeme			none	none	none	none
Key Managers with Strategic Responsibilities						
Name and surname	Investee Company	Category of shares	No of shares owned at the end of the 2016 financial year (or on the date of appointment)	No. of shares purchased during the 2017 financial year	No. of shares sold during the 2017 financial year	Number of shares owned at the end of the 2017 financial year (or on the date of termination of office if earlier)
Silvia Ponzoni			none	none	none	none
Rafael Giorgio Perrino			none	none	none	none
Emilio Maratea			none	none	none	none
Andrea Balzarini			none	none	none	none

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.

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

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.

SHARES ALLOCATED: Indicates the Shares allocated free of charge to each of the Beneficiaries upon Vesting

SHARES: The ordinary shares of the Company, without par value, listed on the MTA electronic share market organised and managed by Borsa Italiana

CHANGE OF CONTROL: Indicates a change to the share ownership structure of the Company determined as a consequence of any transaction [or contractual agreement] that permits a subject or a group of subjects acting in concert together to acquire control of the Company pursuant to art. 93 of the CLF or of the Subsidiary Companies pursuant to art. 2359 subsection 1 of the Italian Civil Code. Change of Control shall also mean the case in which control passes from exclusive control to joint control with other subjects.

CLAW-BACK: A clause that permits the variable remuneration attributed to the Beneficiaries of the Plan to be recovered. Claw-back may be activated in the three years following the vesting or allocation of said variable remuneration in case of Error, in the five years following vesting or allocation of said variable remuneration in case of fraud or in relation to misconduct or negligence that have caused damage to the Company, or to behaviours put in place in breach of the laws of reference.

DELISTING: Indicates the resolution by the Company Shareholders' Meeting relating to a request to remove the Shares from trading on the Mercato Telematico Azionario or, in the absence of such a request, the occurrence of circumstances such that Borsa Italiana decides to remove the Shares from trading on the Mercato Telematico Azionario.

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.

DIVIDEND EQUIVALENT: Consists of the allocation to the Beneficiaries of additional shares at the end of the vesting period, in a number equivalent to the ordinary and extraordinary dividends distributed by INWIT during the vesting period that would have been payable on the number of shares actually attributed to the Beneficiaries as a result of the performance levels they achieved in the terms and at the conditions prescribed by the Plan.

EBITDA: Earnings before interest, tax, depreciation and amortisation of fixed and intangible assets. It represents a parameter that makes it possible to verify if a company (or a group of companies) generates profits through its ordinary operations.

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

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.

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

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

LOCK-UP: Indicates the period of time following the allocation of the Shares during which the vested Shares remain unavailable.

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.

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

VESTING (OF THE PERFORMANCE SHARES) The moment the board approves the financial statements of the Company (or, if the conditions for this are fulfilled, of the consolidated financial statements of the Group of which the Company is parent) for the year ending 31 December 2020, with the concurrent assessment of the degree to which the Performance Parameters have been achieved.

PERFORMANCE PARAMETERS: Indicates the Performance objectives of the Plan, achievement of which is a condition for the purpose of allocating the Shares

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

PEER GROUP: The group of companies active in the sector of Tower Companies within which the positioning of INWIT's share performance is measured.

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.

PERFORMANCE SHARES: Indicates the promise of free allocation to the Beneficiaries of a minimum and maximum number of Rights to receive Shares upon Vesting, in a number commensurate with the fixed and variable remuneration of the Beneficiary, varying from a minimum to a maximum dependent on the degree of achievement of the Performance Parameters.

VESTING PERIOD: The period between the moment the Plan is assigned and the Vesting of the Performance Shares.

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. **ALLOCATED SHARES:** Indicates the allocation to each Beneficiary, free of charge, of the Rights to receive a certain number of Shares at the end of the Vesting Period, and upon achievement of specific Performance Objectives.

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

RECURRING FREE CASH FLOW: EBITDA - Recurring Capex - Delta Working capital - Cash Taxes - Cash Interests

REGULATIONS: Indicates the document that establishes the terms and conditions applicable to the Plan, and which implements it. The Regulation will be established by the Board of Directors of the Company, on the proposal formulated by the Nomination and Remuneration Committee, after approval of the Plan by the Shareholders' Meeting

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.

SCORE CARD: objectives card used in the MBO.

TOTAL SHAREHOLDERS RETURN (TSR): Indicator that measures the total return on a share as the sum of the following components: (i) capital gain: the change in the share price (the difference between the price at the beginning and end of the reference period) divided by the price determined at the start of said period; (ii) reinvested dividends: the impact of all the dividends paid and reinvested in shares at the coupon date. Relative Total Shareholder Return represents the positioning of INWIT's TSR in the ranking of the TSRs of its reference Peer Group consisting of Italian and foreign Tower Companies identified in the Plan Regulations.

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.

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

VALUE OF THE FINANCIAL INSTRUMENT: Indicates the value determined by calculating the arithmetic mean of the official prices of the ordinary shares of INWIT S.p.A. on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the 30 calendar days before the reference time.