



**INWIT - INFRASTRUTTURE WIRELESS ITALIANE S.P.A.**

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF INWIT - INFRASTRUTTURE  
WIRELESS ITALIANE S.P.A.**

on the items on the agenda of the Shareholders' Meeting, ordinary session, convened for 20  
March 2020, in single call.

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Dear Shareholders,

this explanatory report (the "**Report**") was prepared by the Board of Directors of Inwit - Infrastrutture Wireless Italiane S.p.A. ("**Inwit**" or the "**Company**") pursuant to Article 125-*ter* of the CLF, in relation to the appointment of the new Board of Directors.

## APPOINTMENT OF THE BOARD OF DIRECTORS

### 1 APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS

Following the resignation of all the members of the Board of Directors of Inwit on 26 July 2019 and with effect from the date (and time) on which the merger by incorporation of Vodafone Towers S.r.l. into Inwit resolved by the Shareholders' Meeting of Inwit on 19 December 2019 becomes effective (the "**Effective Date**"), the Ordinary Shareholders' Meeting of Inwit is called on to appoint the new Board of Directors and, specifically: (i) to appoint the relevant members with the determination of their number, (ii) the determination of the duration of their term of office, and (iii) the determination of their fees.

It should be noted that the Chairman Piergiorgio Peluso and the Director Carlo Nardello confirmed their resignation on 19 December 2019, within the terms set forth therein, following their appointment as Directors of the Company by the Shareholders' Meeting held on the same date.

As announced on 7 February 2020, an excerpt from the minutes of the Board of Directors' meeting of 6 February 2020 was published concerning the amendment of Articles 13.1, 13.6, 22.1 and 22.9 of Inwit's current By-laws in force until the Effective Date and the amendment of Articles 13.1, 13.5, 22.1 and 22.9 of the new By-laws approved by the Shareholders' Meeting on 19 December 2019 and which will enter into force on the Effective Date (the "**New Inwit By-laws**") in compliance with the new provisions of the law on gender quotas.

The excerpt is available on the Company's website [www.inwit.it](http://www.inwit.it) "Governance" section, as well as from the 1INFO authorised storage platform ([www.1info.it](http://www.1info.it)).

The updated versions of the current By-laws and the New Inwit By-laws are available on the Company's website [www.inwit.it](http://www.inwit.it), in the "Governance" section, as well as at the 1INFO authorised storage platform ([www.1info.it](http://www.1info.it)).

The provisions of the New Inwit By-laws will apply to the appointment of the new Board of Directors and in particular to the procedures, terms and requirements for the presentation of slates.

#### 1.1 **Appointment of the members of the Board of Directors and determination of their number**

Pursuant to the laws and regulations in force, as well as art. 13 of the New Inwit By-laws, the appointment of the Board of Directors by the Shareholders' Meeting will be made on the basis of slates of candidates, in compliance with the applicable laws and regulations (including the connection with the slate obtaining the highest number of votes at the Shareholders' Meeting) and the regulations in force at the time concerning gender balance.

##### 1.1.1 *Procedures, terms and requirements for the presentation of slates*

Pursuant to art. 13 of the New Inwit By-laws, Inwit is administered by a Board of Directors

consisting of a minimum of 10 (ten) to a maximum of 13 (thirteen) directors; members of the Board of Directors must belong to both genders in compliance with the regulations in force at the time.

A minimum number of the Directors appointed by the Shareholders' Meeting, corresponding to the minimum prescribed by the legal and regulatory provisions in force at the time, must fulfil the requirements of independence set out in the legal and regulatory provisions in force at the time.

The number of members of the Board of Directors is determined on the basis of the outcome of the vote on its appointment, as specified below.

Each shareholder may present or participate in the presentation of one slate only and each candidate may appear on only one slate on pain of ineligibility. Slates containing a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so as to allow the appointment of a Board of Directors, in accordance with the provisions of the New Inwit By-laws, complying with the regulations in force.

Slates may only be submitted by shareholders who, alone or together with other shareholders, hold a number of shares representing at least 1.0% of the share capital, as established by Consob Resolution no.28 of 30 January 2020.

Slates of candidates must be filed at the registered offices by the shareholder(s) within 25 calendar days prior to the date set for the Shareholders' Meeting (and, therefore, by 24 February 2020), in one of the following ways: (i) by hand delivery to Inwit's registered offices during normal business hours, or (ii) by certified e-mail to [assemblea@pec.inwit.it](mailto:assemblea@pec.inwit.it).

It should be noted that ownership of the minimum shareholding required for the presentation of slates in the measure indicated above, is determined having regard to the shares that are recorded in the name of the shareholder on the day on which the slates are filed with the company. Records adding or subtracting shares from the holding of the presenting shareholder after the date of filing of the slate shall have no effect on their entitlement to the exercise of their right. The relevant certification may also be produced after filing the slate, provided that it is within the deadline for publication of the slates by the Company (i.e. by 28 February 2020), by means of a communication issued by an authorised intermediary pursuant to the regulations in force.

Together with each slate, the following must be filed, within the period of time specified by the legal and regulatory provisions in force at the time: (i) information on the identity of the shareholders who presented the slate, indicating their total shareholdings, (ii) acceptances of their candidacies by the individual candidates, (iii) the declarations with which said candidates attest, at their own responsibility, that no causes of ineligibility or incompatibility exist, and their possession of the requirements envisaged for their respective offices, as well as (iv) the other information required by law and by applicable regulations. Together with the declarations, a curriculum vitae shall be filed for each candidate setting out their main personal and professional data with an indication of the positions held in management and control bodies of other companies and of the grounds for their qualifying as independent in accordance with the criteria established by law and the Company. Any changes that occur up to the day the Shareholders' Meeting is held must be promptly notified to the Company. The slates for which the aforementioned prescriptions have not been observed shall be

considered as if not presented.

It should also be noted that those who submit a "minority slate" are the intended recipients of the recommendations made by Consob in Notice no. DEM/9017893 of 26 February 2009.

The slates will be made available to the public, by the Company, at least 21 days before the date of the Shareholders' Meeting (i.e. by 28 February 2020), in the manner provided for by current regulations. The Company is responsible for making public the information on properly filed slates.

Each person entitled to vote may vote for one slate only.

(A) If, as a result of voting, there is only one or there is no "Qualified Slate" (i.e., any slate that has obtained a number of votes representing more than 25% of the Company's share capital with voting rights), the following procedure shall apply for the election of the Board of Directors:

- 1) the number of members of the Board of Directors is 13, except as provided for in point 4) below;
- 2) 10 directors are taken from the slate that obtained the highest number of votes, in the progressive order in which they are listed on the slate;
- 3) the other 3 directors are taken from the other slates voted and to this end the votes obtained by the slates are subsequently divided by sequential integers. The quotients thus obtained shall be progressively assigned to the candidates on each slate in the order specified thereon. The quotients thus assigned to the candidates of the various slates are arranged in a single decreasing ranking. Those who have obtained the highest quotients shall be elected. If more than one candidate obtains the same quotient, the candidate from the slate that has not yet elected any director shall be elected. Subordinately, a second ballot is held by the Shareholders' Meeting, with the candidate who receives the most votes (from among those with the same quotient on the said slates) being elected;
- 4) without prejudice to the provisions set forth below for the appointment of directors who meet the independence requirements set out in the laws and regulations in force at the time and for compliance with the gender balance, in the absence of other slates, the number of members of the Board of Directors shall be 10, appointed in accordance with the provisions of point 2) above.

(B) If, as a result of voting, there are two Qualified Slates and neither of these Qualified Slates has obtained a number of votes representing more than 50% of the voting capital of the Company, the following procedure will apply to the election of the Board of Directors:

- 1) the number of members of the Board of Directors is 13, except as provided for in point 3) below;
- 2) 5 directors are taken from each Qualified Slate, in the sequential order in which they are listed on such slate;
- 3) the other 3 directors are appointed in accordance with the provisions of point 3 of letter (A) above;

4) without prejudice to the provisions set forth below for the appointment of directors who meet the independence requirements set out in the laws and regulations in force at the time and for compliance with the gender balance, in the absence of other slates, the number of members of the Board of Directors shall be 10, appointed in accordance with the provisions of point 2) above.

(C) If, as a result of voting, there are two Qualified Slates and one of such Qualified Slates has obtained a number of votes representing more than 50% of the voting capital of the Company, the following procedure will apply to the election of the Board of Directors:

- 1) the number of members of the Board of Directors is 13, except as provided for in point 5) below;
- 2) 10 directors are taken from the Qualified Slate that obtained the highest number of votes, in the progressive order in which they are listed on the slate;
- 3) 2 directors are taken from the second Qualified Slate, in the sequential order in which they are listed on such slate;
- 4) the other director is the first candidate on the most voted of the other slates;
- 5) without prejudice to the provisions set forth below for the appointment of directors who meet the independence requirements set out in the laws and regulations in force at the time and for compliance with the gender balance, in the absence of other slates, the number of members of the Board of Directors shall be 12, appointed in accordance with the provisions of points 2) and 3) above.

(D) If, as a result of voting, there are three Qualified Slates, the following procedure shall apply to the election of the Board of Directors:

- 1) the number of members of the Board of Directors is 13, except as provided for in point 4) below;
- 2) 4 directors are taken from each Qualified Slate, in the sequential order in which they are listed on such slate;
- 3) the other director is the first candidate on the most voted of the other slates;
- 4) without prejudice to the provisions set forth below for the appointment of directors who meet the independence requirements set out in the laws and regulations in force at the time and for compliance with the gender balance, in the absence of other slates, the number of members of the Board of Directors shall be 12, appointed in accordance with the provisions of point 2) above.

If the composition of the Board of Directors resulting from the application of the procedures set out in points (A) to (D) above does not include, among the directors who have been appointed, the minimum number of directors who meet the independence requirements set out in the laws and regulations in force at the time, the last elected director on each slate which has elected at least one director and which has not elected even one director who meets the independence requirements - starting from the most voted slate - shall be replaced, taking into account the order in which the candidates on the slate are listed, by the first non-elected candidate on the same slate who possesses such requirements. If ten directors, none of whom meet the independence requirements, are elected from the most voted slate, the

last two elected from such slate shall be replaced, taking into account the order of the candidates on the slates, by the first two non-elected candidates on the same slate who possess the independence requirements.

If the above is inapplicable or in any case does not permit the minimum number of directors meeting the independence requirements to be complied with, the Shareholders' Meeting shall appoint, with the majorities required by law, a number of directors meeting the aforesaid requirements to the extent necessary to ensure that the minimum number of directors meeting the independence requirements set out in the law and regulations in force at the time is complied with, to replace directors drawn from the least voted slate (other than a Qualified Slate) who are not independent, where present, starting from the least voted slate.

In the absence of slates other than the Qualified Slates, the Shareholders' Meeting shall appoint with the majorities required by law a number of directors who meet the above requirements to the extent necessary to ensure compliance with the minimum number of directors meeting the independence requirements set out in the laws and regulations in force at the time and the procedures set forth in paragraphs (A) to (D) above shall not apply.

To the extent that the composition of the board is subject to the obligation of gender balance, if the composition of the board of directors resulting from the application of the procedures set out in points (A) to (D) above does not allow for compliance with the gender balance, taking into account the order in which the candidates are listed on the slates, the last elected candidates of the most represented gender of each slate from which at least four directors have been drawn shall be replaced, in the number necessary to ensure compliance with the gender balance, by the first non-elected candidates on the same slate of the least represented gender. In the absence, within the slates from which at least four directors have been drawn, of candidates of the gender less represented in sufficient number to proceed with the replacement, or in the absence of slates from which at least four directors have been drawn, the Shareholders' Meeting shall integrate the board with the majorities required by law, ensuring that the requirement is met, if necessary by disregarding letters A(4), B(4) and C(5), or - and for the remainder, if any - replace the last elected candidates of the gender most represented drawn from the most voted slate.

In appointing directors who for any reason have not been appointed pursuant to the procedure specified above, the Shareholders' Meeting shall resolve on the basis of the majorities required by law, ensuring that the requirements of the law and the By-laws regarding the composition of the board are respected.

Pursuant to paragraph 14.1 of the New Inwit By-laws, the Board of Directors elects a Chairman from among its members if the Shareholders' Meeting has not already done so.

## **1.2 Term of office**

Pursuant to paragraph 13.3 of the New Inwit By-laws, the Board of Directors must be appointed in compliance with the applicable laws and regulations; therefore, in compliance with the provisions of Article 2383, /subsection 2, of the Italian Civil Code, directors may not be appointed for a period exceeding three financial years and their term of office expires on the date of the shareholders' meeting called to approve the financial statements for the last financial year of their office.

The resigning Board of Directors refrains from making specific proposals on the matter and



invites the Shareholders' Meeting to determine the term of office of the new Board of Directors on the basis of the proposals submitted by the Shareholders.

### **1.3 Determination of the total fee for the remuneration of all directors, including those holding particular offices**

Pursuant to article 21 of the New Inwit By-laws the Ordinary Shareholders' Meeting may resolve on an annual fee for the Board of Directors, and may determine a total sum for the remuneration of all the directors, including those holding particular offices. Once fixed, this remuneration shall remain unchanged until a different amount is established by the Shareholders' Meeting.

The directors shall be entitled to the reimbursement of expenses incurred in the performance of their duties.

The resigning Board of Directors refrains from making specific proposals on the matter and invites the Shareholders' Meeting to determine the fee due to the members of the Board of Directors on the basis of the proposals submitted by the Shareholders.

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In this regard, pursuant to the framework agreement signed on 26 July 2019 between TIM S.p.A., Vodafone Europe B.V., Vodafone Italia S.p.A. and the Company (and subsequently also by Vodafone Towers S.r.l.), TIM S.p.A. undertook to submit a slate containing 12 candidates for the position of directors of Inwit, of whom: - 6 candidates nominated by TIM S.p.A., of which one independent pursuant to Article 148, subsection 3, of the CLF (as referred to in Article 147-ter, subsection 4 of the CLF) and the Corporate Governance Code; and - 6 candidates nominated by VOD Europe B.V., of which one independent pursuant to Article 148, subsection 3, of the CLF (as referred to in Article 147-ter, subsection 4 of the CLF) and the Corporate Governance Code. For further information, please refer to the essential information pursuant to articles 122 of the CLF and 130 of the Issuers' Regulations, also available on the website [www.inwit.it](http://www.inwit.it), section "governance/shareholders' agreements".

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Shareholders who intend to make proposals regarding the term of office or the fee to be paid to the Board of Directors to be elected, or who intend to submit a slate are invited to contact the Company's Investor Relations office in advance to define any necessary operational details.

The Board of Directors recommends that shareholders submit such proposals well in advance of the Shareholders' Meeting, in line with the recommendations of the Corporate Governance Code.

Milan, 6 February 2020

Inwit – Infrastrutture Wireless Italiane S.p.A.

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Piergiorgio Peluso - Chairman