



INWIT

Infrastrutture Wireless Italiane S.p.A.

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
ON POINTS 1, 2, 3, 4, 5 AND 9 OF THE AGENDA OF THE
SHAREHOLDERS' MEETING CALLED IN ORDINARY SESSION ON 20
APRIL 2021, IN A SINGLE CALL**

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(item 1 on the agenda)

FINANCIAL STATEMENTS AS AT 31 December 2020 – APPROVAL OF THE DOCUMENTATION ON THE FINANCIAL STATEMENTS – RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

We hereby submit for your approval the draft financial statements for FY 2020, approved by the Board of Directors on 4 March 2021. The financial year that ended on 31 December 2020 closed with a net profit for the year of 156,666,767.00 euros.

For all the detailed information and comments on the financial statements, refer to the annual financial report, including the draft financial statements approved by the Board of Directors on 4 March 2021, the directors' report on operations and the attestation pursuant to article 154-bis, subsection 5, of Legislative Decree no. 58 of 24 February 1998 ("CLF"), which will be filed and made available to the public by 30 March 2021, together with the reports of the Board of Statutory Auditors and the Independent Auditor and the Non-Financial Statement drawn up in accordance with Legislative Decree 254/2016, on a voluntary basis.

In view of the above, the Board of Directors submits for your approval the following

Proposed Resolution

"The Shareholders' Meeting of Infrastrutture Wireless Italiane S.p.A.,

– having examined the explanatory report of the Board of Directors of Infrastrutture Wireless Italiane S.p.A. prepared in accordance with article 125-ter CLF and agreeing with the reasons for the proposals contained therein;

– having examined the annual financial report, including the draft financial statements of Infrastrutture Wireless Italiane S.p.A. as at 31 December 2020, the directors' report on operations and the attestation pursuant to article 154-bis, subsection 5, of Legislative Decree no. 58 of 24 February 1998;

– having taken note of the reports by the Board of Statutory Auditors and the independent auditor PricewaterhouseCoopers S.p.A.;

resolves

- 1. to approve the financial statements of Infrastrutture Wireless Italiane S.p.A. for the year 2020;*
- 2. to confer on the Chairman of the Board of Directors and the Chief Executive Officer, severally, also by means of special agents, a mandate to carry out all the activities pertaining to, resulting from or linked to the implementation of the resolution referred to under item 1 above."*

(item 2 on the agenda)

ALLOCATION OF THE PROFITS FOR THE YEAR - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

as pointed out in the explanatory report on the proposed approval of the 2020 draft financial statements, this shows a net profit for the year of 156,666,767.00 euros.

Given that the legal reserve already amounts to one fifth of the share capital (according to the provisions of article 2430, subsection 1, of the Italian Civil Code), at the meeting on 4 March 2021 the Board of Directors of Infrastrutture Wireless Italiane S.p.A. resolved to propose that the aforementioned profits be allocated, and that part of the available reserves for the total amount of 131,393,233.00 euros, using all of the retained earnings for 12,571,628.00 euros and part of the share premium reserve for 118,821,605.00 euros be used as follows:

- 288,060,000.00 euros to be distributed to Shareholders, as a dividend, of 0.30 euros for each of the 960,200,000 ordinary shares in circulation on the coupon date (excluding the treasury shares in the portfolio of Infrastrutture Wireless Italiane S.p.A.), gross of the withholdings required by law, with dividend coupon date of 24 May 2021, payable on 26 May 2021 and record date, pursuant to art. 83-terdecies CLF, of 25 May 2021.

In view of all this, we submit for your approval the following

Proposed Resolution

“The Shareholders’ Meeting of Infrastrutture Wireless Italiane S.p.A.,

- having examined the explanatory report of the Board of Directors of Infrastrutture Wireless Italiane S.p.A. prepared in accordance with art. 125-ter CLF and agreeing with the reasons for the proposal contained therein;*
- having examined the annual financial report, including the draft financial statements of Infrastrutture Wireless Italiane S.p.A. as at 31 December 2020, the directors’ report on operations and the attestation pursuant to article 154-bis, subsection 5, of Legislative Decree no. 58 of 24 February 1998;*
- having taken note of the reports by the Board of Statutory Auditors and the independent auditor PricewaterhouseCoopers S.p.A.;*
- taking into account the outstanding amount of the legal reserve;*

resolves

- 1. to allocate the net profit for FY 2020 of Infrastrutture Wireless Italiane S.p.A., amounting to 156,666,767.00 euros and to use part of the available reserves for the total amount of 131,393,233.00 euros, using all of the retained earnings for 12,571,628.00 euros and part of the share premium reserve for 118,821,605.00 euros, as follows:*

• 288,060,000.00 euros to be distributed to Shareholders, as a dividend, of 0.30 euros for each of the 960,200,000 ordinary shares in circulation on the coupon date (excluding the treasury shares in the portfolio of Infrastrutture Wireless Italiane S.p.A.), gross of the withholdings required by law, with dividend coupon date of 24 May 2021, payable on 26 May 2021 and record date, pursuant to art. 83-terdecies CLF, of 25 May 2021;

2. to confer on the Chairman of the Board of Directors and the Chief Executive Officer, severally, also by means of special agents, a mandate to carry out all the activities pertaining to, resulting from or linked to the implementation of the resolution referred to under item 1 above.”

(item 3 on the agenda)

REPORT ON THE REMUNERATION POLICY AND COMPENSATION PAID – APPROVAL OF THE FIRST SECTION (REMUNERATION POLICY) - RELATED AND CONSEQUENT RESOLUTIONS

(item 4 on the agenda)

REPORT ON THE REMUNERATION POLICY AND COMPENSATION PAID – NON-BINDING VOTE ON THE SECOND SECTION (2020 COMPENSATION) - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

Pursuant to art. 123-ter CLF and in compliance with art. 84-*quater* of the Consob Regulation on issuers adopted with resolution no. 11971 of 14 May 1999 (the “Issuer Regulation”), as amended by Consob resolution no. 21623 of 10 December 2020, in view of the Shareholders’ Meeting of 20 April 2021 a report on the remuneration policy and compensation paid has been prepared.

This document is divided into two sections:

- the first section, pursuant to art. 123-ter, subsection 3, CLF, illustrates the policy of Infrastrutture Wireless Italiane S.p.A. regarding the remuneration of members of the administrative bodies, general managers and key managers with strategic responsibilities, and the procedures used for its adoption and implementation, with reference to the 2021 financial year;
- the second section, pursuant to art. 123-ter, subsection 4, CLF, on members of the administration and control bodies and key managers with strategic responsibilities, illustrates: (i) each of the items making up the remuneration; (ii) the remuneration paid during the relevant financial year, in all respects and in any form, by Infrastrutture Wireless Italiane S.p.A.; (iii) the remuneration to be paid in one or more subsequent financial years with respect to the activities carried out in the reference financial year; and (iv) how Infrastrutture Wireless Italiane S.p.A. has taken into account the vote cast last year on the second section of the report.

You are called on to express your opinion, in accordance with the law, on the first section with a binding resolution, pursuant to art. 123-ter, subsection 3-ter CLF and on the second section, with a non-binding resolution, pursuant to art. 123-ter, subsection 6 CLF.

For further details, refer to the Report on the policy regarding remuneration and fees paid drawn up by the Board of Directors pursuant to art. 123-ter CLF and art. 84-*quater* of the Issuer Regulation.

In view of the above, the Board of Directors submits for your approval the following

Proposed Resolution

“The Shareholders’ Meeting of Infrastrutture Wireless Italiane S.p.A.,

- having examined the explanatory report of the Board of Directors of Infrastrutture Wireless Italiane S.p.A. prepared in accordance with art. 125-ter CLF and agreeing on the reasons for the proposal contained therein;
- having regard to the provisions applicable to the Report on the remuneration policy and compensation paid;
- having acknowledged the Report on the policy regarding remuneration and fees paid drawn up by the Board of Directors

resolves

1. to approve the first section of the Report on the policy regarding remuneration and fees paid of Infrastrutture Wireless Italiane S.p.A., as described pursuant to art. 123-ter subsection 3 CLF;
2. to endorse the second section of the Report on the policy regarding remuneration and fees paid of Infrastrutture Wireless Italiane S.p.A., as described pursuant to art. 123-ter subsection 4 CLF;
3. to confer on the Board of Directors and on its behalf on the Chairman of the Board of Directors and the Chief Executive Officer, severally, also by means of special agents, a mandate to carry out all the activities pertaining to, resulting from or linked to the implementation of the resolution referred to under the items above.”

(item 5 on the agenda)

SUPPLEMENTATION OF THE INDEPENDENT AUDITOR'S FEES - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

On 27 February 2015, the Shareholders' Meeting of Infrastrutture Wireless Italiane S.p.A. appointed Pricewaterhousecoopers S.p.A. ("PWC") as the external auditor for financial years 2015-2023 (the "Appointment").

Paragraph 4.3 (b) "Exceptional or unforeseeable circumstances" of the original proposed Appointment of PWC, dated 17 February 2015, envisages being able to agree on the definition of activities not included in the proposal and the quantification of the relative fees "*should exceptional or unforeseeable circumstances arise, including, by way of mere example, significant changes to the structure and activities of the company, business continuity issues or specific situations that require technical in-depth analysis, the establishment of assets allocated to a specific business, regulatory changes, changes to accounting and/or audit standards, or other circumstances not foreseeable today that result in the need for longer or shorter times than those estimated*" in the proposal itself.

That said, in a letter dated 22 February 2021, PWC requested an adjustment to its compensation pertaining to the Appointment taking into account the considerable expansion of the audit work as a result of the acquisition and merger by incorporation of the company Vodafone Towers S.r.l., which took place on 31 March 2020.

The awarding of the audit appointment and the determination of the fees of the independent auditor are the responsibility of the Shareholders' Meeting, on the reasoned proposal of the control body; best practice also requires the adjustment of the aforementioned compensation to be approved with the same procedures.

In view of the above, the Board of Directors submits for your approval the following proposal of the Board of Statutory Auditors drawn up taking into account the content of the aforementioned letter from PWC.

"Reasoned proposal of the Board of Statutory Auditors of INWIT S.p.A. pursuant to art. 13 subsection 1 of Legislative Decree 39/2010 to supplement the fees of the Independent Auditor PricewaterhouseCoopers S.p.A. for the external audit of the accounts *relating to financial years 2015-2023*

Dear Shareholders,

Art. 13 of Legislative Decree no. 39 of 27 January 2010 ("Decree 39/2010") establishes that the awarding of the appointment as external auditor and the determination of the total compensation for the audit services shall be subject to the approval of the shareholders' meeting, on the reasoned proposal of the control body. In this sense, any changes to the compensation occurring during the period in which the audit is carried out shall be subject to the procedure laid down in art. 13 of Decree 39/2010.

With a resolution approved during the meeting on 27 February 2015, the Shareholders' Meeting of the Company appointed the company PricewaterhouseCoopers S.p.A. ("PWC") as external auditor of the Company for financial years 2015-2023, in accordance with the content, terms and procedures proposed at the time by the Board of Statutory Auditors, pursuant to art. 13, subsection 1 of Legislative Decree 39/2010, for an annual fee (net of VAT and out-of-pocket expenses as well as any ISTAT increases) of 233,000 euros (later reduced to 189,500 euros for FY 2019), corresponding to 3,137 hours of work.

Paragraph 4.3 (b) "Exceptional or unforeseeable circumstances" of the original proposed appointment of PWC, dated 17 February 2015, envisages being able to agree on the definition of activities not included in the proposal and the quantification of the relative fees "should exceptional or unforeseeable circumstances arise, including, by way of mere example, significant changes to the structure and activities of the company, business continuity issues or specific situations that require technical in-depth analysis, the establishment of assets allocated to a specific business, regulatory changes, changes to accounting and/or audit standards, or other circumstances not foreseeable today that result in the need for longer or shorter times than those estimated" in the proposal itself.

Following the considerable expansion of the audit work as a result of the acquisition and merger by incorporation of the company Vodafone Towers S.r.l., which occurred on 31 March 2020, PWC requested that its fees be adjusted in application of the aforementioned paragraph 4.3. (b) of the original proposal. After some meetings with the Board of Statutory Auditors to further examine the matter, on 22 February 2021 the same company then put together a proposal to amend the economic conditions of the appointment ("Proposed amendment"), attached herewith.

In more detail, in the proposed amendment, PWC identifies the supplementary audit work to be carried out which can be summarised as follows:

1. supplementary work to be carried out on the financial statements for the year for each of the financial years 2020-2023 as a result of the aforementioned acquisition and merger by incorporation which has led to a considerable and permanent increase in the volume and complexity of the transactions implemented by the Company and the underlying processes of preparing the financial information, involving a significant and recurring increase, also in subsequent financial years, of the commitment necessary to perform the assignment;
2. supplementary work to be carried out in performing the procedures for the limited audit of the half-yearly financial statements as at 30 June 2020, 2021, 2022 and 2023, linked to an increase in the scope and complexity of the corporate transactions;
3. specific additional audit work, of an extraordinary and non-recurring nature, requested with reference to the external audit appointment for 2020 attributable to:
 - a) a complete audit of the opening balances of Vodafone Towers S.r.l. as at 31 March 2020;
 - b) compliance checks relating to the design and operation of the controls in the new IFRS 16 module.

With particular reference to the supplementary audit work referred to under points 1) and 2), in its proposed amendment PWC points out that greater significant and recurring commitment is required for each of the

financial years 2020-2023 in terms of the number of hours of work and related additional fees in the terms set out below:

Complete external audit of the annual financial statements as at 31 December

Professional category	2019 FY FEES			2020 FY FEES			2020 - 2019 Change	
	Hours	Hourly rate	Amount (euros)	Hours	Hourly rate	Amount (euros)	Change of hours	Change of fees (in euros)
Partner	150	321	48,150	243	321	77,906	93	29,756
Senior Managers	290	144	41,760	482	144	69,298	192	27,538
Senior	525	66	34,650	866	66	57,290	341	22,640
Staff	1,150	44	50,600	1,659	44	73,107	509	22,507
TOTAL	2,115		175,160	3,250		277,601	1,135	102,441
Reduction chargeable to PWC			(18,160)			(30,601)		(12,441)
TOTAL NET			157,000			247,000		90,000

Limited auditing of the half-yearly financial statements as at 30 June

Professional category	2019 FY FEES			2020 FY FEES			2020 - 2019 Change	
	Hours	Hourly rate	Amount (euros)	Hours	Hourly rate	Amount (euros)	Change of hours	Change of fees
Partner	25	321	8,025	41	321	13,150	16	5,125
Senior Managers	60	144	8,640	93	144	13,383	33	4,743
Senior	120	66	7,920	179	66	11,819	59	3,899
Staff	250	44	11,000	338	44	14,876	88	3,876
TOTAL	455		35,585	650		53,228	195	17,643
Reduction chargeable to us			(3,085)			(5,228)		(2,143)

TOTAL NET			32,500			48,000		15,500
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The amendment proposal made by PWC:

- in any case confirms that all the other clauses included in the original proposal are still applicable, specifying that the fees requested shall be valid for the remaining duration of the nine-year appointment, that is up until approval of the financial statements as at 31.12.2023;
- is accompanied by details of the professional mix attributable to the additional estimated compensation (hours and fees), details of which are provided in the annex;
- confirms that the estimated additional commitment envisaged takes into account the efficiencies obtained or that are expected to be obtained through the use of technology in carrying out the audit procedures;
- indicates that the estimated hours were valued using the tariffs set for the audit work contained in the proposal, appropriately indexed, as established in the contract.

With reference to the additional audit work referred to under point 3), which determines the start of a particular circumstance that could alter the audit fees for just the financial year 2020, the additional fees requested by PWC in the proposed amendment amount to a total of 69,000 euros, with an additional commitment of 690 working hours in total, details of which are provided in the following table:

Professional category	Hours	Hourly rate	Amount (in euros)
Partner	84	321	26,977
Senior Managers	202	144	29,023
Senior	236	66	15,628
Staff	168	44	7,442
TOTAL	690		79,070
Reduction chargeable to PWC			(10,070)
TOTAL NET			69,000

Pursuant to art. 13, subsection 1, of Legislative Decree 39/2010, the Board of Statutory Auditors:

- met representatives of the audit company PWC, together with the relevant departments of INWIT, to verify and assess the accuracy of the greater effort required for financial year 2020 and estimated for the remaining subsequent years;

- examined PWC's proposed amendment of 22 February 2021 and, in particular, verified that the request to supplement the compensation follows on from the sudden need to carry out additional audit work required by the aforementioned extraordinary transaction involving the acquisition and merger by incorporation of Vodafone Towers, carried out by the Company;
- checked that the additional hours were essentially valued under the same economic conditions as the original audit proposal, which has already been indexed;
- analysed the specifications pertaining to the professional figures employed to perform the additional work and the relative hourly cost, noting there was essentially no change in the overall mix in terms of professional figures;
- considered the requests made by PWC as a whole to be fair and consistent with the professional commitment required and with the external audit process covered by the current assignment, as well as adequate in relation to the new audit work requested linked to the increased scope and complexity of the corporate transactions mentioned earlier, as a result of the aforementioned acquisition and merger of Vodafone Towers S.r.l. and following application of the new ISA540 audit principle to the new corporate situation;
- assessed whether PWC still has the requirements of independence and professionalism, as no situations of incompatibility with the appointment that would compromise the independence of the independent auditor were found.

In view of the considerations made, therefore, the Board of Statutory Auditors proposed approving the requested changes to the economic conditions of the current appointment as external auditor, as described in the proposed supplementation issued by PWC on 22 February 2021, in the economic terms briefly referred to above, with the following

proposed resolution

The Shareholders' Meeting of INWIT S.p.A.:

- taking into account the provisions of article 13, subsection 1 of Legislative Decree 39/2010;
- taking into account the resolution passed by the Shareholders' Meeting of 27 February 2015 and acknowledging that, for anything not specified in this proposal, the agreements contained in the audit appointment approved at said meeting remain unchanged;
- taking into account the provisions of paragraph 4.3 (b) "Exceptional or unforeseeable circumstances" of the original proposed appointment of PWC, dated 17 February 2015, which envisages being able to agree on the definition of activities not included in the proposal and the quantification of the relative fees should exceptional or unforeseeable circumstances arise;
- having examined the reasoned proposal of the Board of Statutory Auditors in this regard;

resolves

- to approve the proposed supplementation of the compensation established for the appointment as external advisor already conferred on PricewaterhouseCoopers S.p.A. in the terms indicated in the

proposed amendment made by the aforementioned independent auditor. The resulting fees for the financial years 2020-2023 are quantified as specified below:

1) *with reference to each of the financial years 2020-2023:*

- *for the audit of the financial statements for the year, 247,000 euros;*
- *for the limited audit of the half-yearly financial statements as at 30 June, 48,000 euros;*

2) *with exclusive reference to financial year 2020:*

- *for the complete audit of the opening balances of Vodafone Towers S.r.l. as at 31 March 2020, 39,000 euros;*
- *for compliance checks relating to the design and operation of the controls in the new IFRS 16 module, 30,000 euros;*

- *To confer, severally, on the Chairman of the Board of Directors and the Chief Executive Officer all the broadest powers to endorse the proposal to increase the remuneration, hereby considering their work ratified and valid.*

Milan, 25 February 2021

The Board of Statutory Auditors

Mr Stefano Sarubbi

Umberto La Commara

Ms Michela Zeme”

In view of the above, the Board of Directors submits for your approval the proposed resolution of the Board of Statutory Auditors in the terms indicated above.

(item 9 on the agenda)

APPOINTMENT OF TWO DIRECTORS PURSUANT TO ARTICLE 2386(1) OF THE ITALIAN CIVIL CODE AND PARAGRAPH 13.17 OF THE COMPANY BYLAWS - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

Following the resignation of the Directors Mr Carlo Nardello and Ms Filomena Passeggio, the Board of Directors of Inwit, on 2 October 2020, appointed “by co-optation” - pursuant to art. 2386 of the Italian Civil Code and art. 13.17 of the current company bylaws, with a resolution also approved by the Board of Statutory Auditors – the non-executive Director Giovanna Bellezza and the independent Director Rosario Mazza.

The appointment was also made in compliance with the provisions of law and of the bylaws concerning the requirements of directors and the composition of the Board of Directors. The Board of Directors checked the possession of the requirements laid down in the current provisions and its overall adequacy within the context of the annual self-assessment process, and in addition whether Mr Rosario Mazza has the independence requirements pursuant to art. 148, subsection 3, of the CLF (as required under art. 147-Ter, subsection 4 CLF) and the Corporate Governance Code.

As provided for in art. 2386 of the Italian Civil Code, the directors appointed by “co-optation” shall remain in office until the first available Shareholders’ Meeting, which is therefore required to resolve on this matter.

The Board of Directors proposed confirming Ms Giovanna Bellezza and Mr Rosario Mazza as directors for the same duration as the current Board of Directors (that is until the date of the Shareholders’ Meeting called to approve the financial statements for the year ended 31 December 2022) and with the same compensation assigned to each non-executive director in respect of the total amount determined by the Shareholders’ Meeting of 20 March 2020.

Note that for the appointment of the new director, the Shareholders’ Meeting shall resolve with the majorities required by law, without the application of the statutory procedure of slate voting. No specific procedures are laid down for the submission of candidacies; nevertheless, the Board of Directors has recommended that shareholders who intend to submit a candidacy announce it to Infrastrutture Wireless Italiane S.p.A. in enough time for it to be published, if possible, at least twenty one days prior to the date of the Shareholders’ Meeting. Moreover, in the case of candidacies other than the proposed confirmation of the co-opted directors, it is also recommended to attach the appropriate documentation for each single candidate, similar to that required for the submission of slates for the appointment of the whole Board of Directors. Proposals received in such manner will be promptly made public in a specific disclosure to the market and on the website of Infrastrutture Wireless Italiane S.p.A.

Note that pursuant to art. 13.17 of the current company bylaws, if the Shareholders’ Meeting does not confirm the co-opted directors in office, the entire Board shall be understood as having resigned, with termination of the office becoming effective from the moment the Board of Directors has been reconstituted by persons appointed by the shareholders’ meeting, and the directors have called a Shareholders’ Meeting to appoint the new Board of Directors.

In view of the above, the Board of Directors submits for your approval the following

Proposed Resolution

“The Shareholders’ Meeting of Infrastrutture Wireless Italiane S.p.A., which met in ordinary session

- *examined the Explanatory Report of the Board of Directors of Inwit prepared pursuant to art. 125-ter CLF and agreed on the reasons for the proposals contained therein;*
- *having acknowledged that Ms Giovanna Bellezza and Mr Rosario Mazza have today ceased to hold the office of director, having been appointed by co-optation at the Board of Directors meeting of 2 October 2020 to replace the directors Mr Carlo Nardello and Ms Filomena Passeggio, pursuant to art. 2386 of the Italian Civil Code;*
- *having acknowledged the proposal of the Board of Directors to confirm Ms Giovanna Bellezza and Mr Rosario Mazza as directors*

resolves

1. *to appoint Giovanna Bellezza and Rosario Mazza as board directors, establishing that they shall cease to hold office at the same time as the Directors in office, that is with the approval of the financial statements as at 31 December 2022 and attributing them the same compensation attributed to each non-executive director in respect of the total amount established by the Shareholders’ Meeting of 20 March 2020;*
2. *to confer on the Board of Directors and on its behalf the Chairman of the Board of Directors and the Chief Executive Officer, severally, with full power to sub-delegate and appoint special agents for individual actions or categories of actions, all appropriate, in compliance with the provisions of the law, for the implementation of the resolution in question and fulfilment of the consequent legislative and regulatory obligations.”*

For the Board of Directors

The Chairman, Emanuele Tournon