



**INWIT**

Infrastrutture Wireless Italiane S.p.A.

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**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON ITEMS 6, 7  
AND 8 OF THE AGENDA OF THE SHAREHOLDERS' MEETING CALLED IN  
AN ORDINARY SESSION FOR 20 APRIL 2021, IN A SINGLE CALL**

- **APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS – APPOINTMENT OF THE STANDING AND ALTERNATE AUDITORS - RELATED AND CONSEQUENT RESOLUTIONS**  
*(item no. 6 on the agenda)*
  - **APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS – APPOINTMENT OF THE CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS - RELATED AND CONSEQUENT RESOLUTIONS**  
*(item no. 7 on the agenda)*
  - **APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS – DETERMINATION OF REMUNERATION - RELATED AND CONSEQUENT RESOLUTIONS**  
*(item no. 8 on the agenda)*
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Dear Shareholders,

the term of office of the Board of Statutory Auditors appointed by the Shareholders' Meeting of 13 April 2018 expires with approval of the financial statements for the year ending 31 December 2020.

You have therefore been called to an ordinary session to discuss and resolve on the appointment of the Board of Statutory Auditors for the three-year period 2021-2023 under the terms and provisions of article 22 of the Company Bylaws. In particular, you are called on to:

- to appoint three Standing Auditors and two Alternate Auditors,
- to appoint one of the Auditors elected from minority slates as Chairman of the Board of Statutory Auditors and
- to determine the remuneration of the members of the Board of Statutory Auditors.

The above proposals are devolved to the Shareholders, since the role of the Board of Directors shall only call the meeting and provide the following elements of information.

Note that in light of the outcomes of its self-assessment process, the outgoing Board of Statutory Auditors has decided to provide some recommendations on the requirements/characteristics of the members of the new Board of Statutory Auditors, in particular: (i) a high level of professionalism; (ii) if possible, with experience acquired in listed companies, in sectors similar to that of Inwit and characterised by significant complexity in terms of both management and governance, as well as (iii) enough time to dedicated to a demanding and complex appointment.

You are reminded that duration of the Auditors' mandate is established by law as three financial years, and thus until the Shareholders' Meeting called to approve the financial statements at 31 December 2023.

#### **Appointment of the Standing and Alternate Auditors; appointment of the Chairman of the Board of Statutory Auditors**

Pursuant to art. 22 of the Company Bylaws, the Board of Statutory Auditors is made up of 3 (three) Standing Auditors and 2 (two) Alternate Auditors; members of the Board of Statutory Auditors must belong to both genders in compliance with current regulations.

Persons who exceed the limit on the accumulation of offices, or for whom causes of ineligibility or incompatibility exist, or who are not in possession of the requisites of integrity and professionalism as established by current legal and regulatory provisions, may not be elected as statutory auditors and, if elected, they shall forfeit their office. For the purposes of the provisions of Ministry of Justice Decree no. 162 of 30 March 2000, art. 1, subsection 3, the topics and sectors of activity connected with or inherent to the activity undertaken by the Company, and set out in its company purpose, are considered to be strictly relevant to those of the company.

Still on the subject of requirements, the applicable legislative framework should be considered as supplemented, with reference to independence, by the criteria laid down in the Corporate Governance Code of companies with shares listed on the Electronic Share Market managed by Borsa Italiana, to which INWIT adheres.

Finally, in light of the company's business, it is advisable for the members of the control body to individually possess the requisites to sign contracts with government bodies and to undertake activities subject to authorisation.

The appointment of the Board of Statutory Auditors shall be in compliance with the applicable laws and regulations on the basis of slates presented by Shareholders. 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 may be submitted by 26 March 2021 by Shareholders who, alone or jointly with others, hold a total number of shares that represents at least 1% of the capital with voting rights in the Ordinary Shareholders' Meeting. If only one (or no) slate has been validly submitted by 26 March, or the only slates submitted are from Shareholders with an affiliate relationship pursuant to art. 144-*quinquies* of the regulations adopted by CONSOB with resolution No. 11971/1999 ("Issuers' Regulations"), the submission deadline shall be extended to 29 March 2021 and the entitlement threshold halved to 0.5%.

With reference to the assessment of any links between the slates, Shareholders are invited to take into account the recommendations contained in CONSOB in Notice no. DEM/9017893 of 26 February 2009.

Ownership of the minimum shareholding required for the submission of slates of candidates 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.

Slates must be sent by email to the address [assemblea@pec.inwit.it](mailto:assemblea@pec.inwit.it)

Shareholders who submit slates must submit and/or send a copy of the certification issued by the qualified intermediary in accordance with the law to the registered offices, also after the slates have been filed, provided that this occurs at least twenty-one days prior to the date of the Shareholders' Meeting.

The slates filed must be accompanied by:

- information on the identity of the Shareholders who submitted the slates, indicating their total shareholdings demonstrated by appropriate documentation issued by a qualified intermediary in accordance with the law;

- a statement by the Shareholders who submitted the slate other than those who hold, even jointly, a controlling or relative majority stake, attesting to the absence or existence of any connecting relations therewith, with reference to the provisions of art. 144-quinquies of the Issuers' Regulations, also taking into account the recommendations made by CONSOB in Notice no. DEM/9017893 of 26 February 2009;
- acceptance of the candidacy and a curriculum vitae setting out their personal and professional characteristics and including a list of the administration and control appointments held by each candidate in other companies as well as statements in which the individual candidates accept the candidacy and confirm, under their own responsibility, that no causes of ineligibility or incompatibility exist, and that they possess the requirements for the office laid down by law and the bylaws.

Slates for which the provisions above have not been observed shall be considered as not having been presented.

The slates are divided into two sections: one for candidates for the office of Standing Auditor and the other for candidates for the office of Alternate Auditor, each of which must contain the list of candidates using a progressive number. Slates that in either or both sections contain 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 Statutory Auditors, in accordance with the provisions of the Bylaws, complying with the current regulations on gender balance. As specified in Consob Notice No. 1/20 of 30 January 2020, the criteria for rounding up to the nearest whole number as described in art. 144-undecies.1, subsection 3, of the Issuers' Regulations does not apply when referring to company bodies made up of three members as is it arithmetically impossible. In these cases, CONSOB has approved rounding down to the lower unit in line with the new regulations.

The first candidate in each section shall be selected from among the external auditors entered in the appropriate register who have worked on external audits for a period of not less than three years.

#### Publication of the proposed resolutions

Duly submitted slates shall be made public on the "1INFO" storage platform website ([www.1info.it](http://www.1info.it)), as well as on the company website [www.inwit.it/assemblea](http://www.inwit.it/assemblea) and at the Company's registered offices no later than 30 March 2021.

#### Voting procedures

Statutory Auditors shall be elected in compliance with the following procedures set out below in summary form, referring to the text of the aforementioned article 22 of the company Bylaws for a full description.

The Board of Statutory Auditors shall be elected as specified below:

- 1) 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), (i) from the slate which has obtained the highest number of votes, 2 Standing Auditors and 1 Alternate Auditor shall be chosen in the order in which they are listed on the slate and (ii) from the second slate that received the most votes, 1 Standing Auditor and 1 Alternate Auditor shall be chosen in the order specified therein;

- 2) 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, (i) from each Qualified Slate, 1 Standing Auditor and 1 Alternate Auditor shall be chosen in the order specified therein and (ii) from the third slate that received the most votes, 1 Standing Auditor shall be chosen in the order specified therein;
- 3) if, as a result of voting, there are two Qualified Slates and one of these Qualified Slates has obtained a number of votes representing more than 50% of the voting capital of the Company, (i) from the Qualified Slate that has obtained the highest number of votes, 2 Standing Auditors and 1 Alternate Auditor shall be chosen in the order specified therein and (ii) from the Qualified Slate that was the second slate to receive the most votes, 1 Standing Auditor and 1 Alternate Auditor shall be chosen in the order specified therein;
- 4) if, as a result of voting, there are three Qualified Slates, (i) from the Qualified Slate that received the most votes, 1 Standing Auditor and 1 Alternate Auditor shall be chosen, (ii) from the second Qualified Slate that received the most votes, 1 Standing Auditor and 1 Alternate Auditor shall be chosen, and (iii) from the third Qualified Slate, 1 Standing Auditor shall be chosen.

If the composition of the board or the category of alternate Auditors that results does not respect the gender balance, taking their order in the list for the respective sections into account, the second of the most represented gender elected from the slate that received the most votes shall forfeit their appointment to ensure compliance with this requirement, and shall be replaced by the first unelected candidate of the less represented gender on the same slate and the same section. In the absence of candidates of the less represented gender in the relevant section of the aforementioned slate, the Shareholders' Meeting shall appoint the standing or alternate Auditors that are missing with the majorities required by law, ensuring that the requirement is met in compliance with the legal provisions.

#### Appointment of the Chairman of the Board of Statutory Auditors

The slate voting mechanism is intended, by law, to ensure that some Auditors are elected by the “*minority shareholders not directly or indirectly associated with Shareholders who submitted or voted for the slate that came first in terms of number of votes*” (in accordance with article 148 of Legislative Decree No. 58/1998). The law also establishes that the Chairman of the Board of Statutory Auditors be appointed by the Shareholders' Meeting from among the standing Auditors "elected by the minority". Pursuant to the bylaws, the standing auditor chosen from the slate that received the fewest votes is appointed as Chairman of the Board of Statutory Auditors.

#### Publication of the election of the Board of Statutory Auditors

The Company shall promptly inform the public of the appointment of the Board of Statutory Auditors, in a press release issued in accordance with art. 144-*novies* of the Issuers' Regulations, indicating:

- the slate from which each member was elected, specifying whether they were chosen from the slate submitted or voted for by a majority or minority;
- the outcomes of the assessments made, on the basis of the information provided by the parties concerned or in any case available to the Company, with regard to one or several members of the

Board of Statutory Auditors appointed by the Shareholders' Meeting having the requirements laid down in art. 148, subsection 3, of the CLF.

### **Determination of the remuneration**

In accordance with art. 2402 of the Italian Civil Code, the annual remuneration of the Statutory Auditors is resolved by the Shareholders' Meeting.

Together with the slate, Shareholders are invited to submit a remuneration proposal, which by practice sets apart the remuneration of the Chairman from the remuneration of the remaining Standing Auditors. In this regard, attention is drawn to the fact that a Standing Auditor will be called on to serve on the Supervisory Body of the Company. When formulating the remuneration proposal, it is therefore recommended to set, in addition to the “basic” remuneration to be paid to the Chairman of the board and all other Standing Auditors, an additional fee for the Standing Auditor chosen to perform this role.

For information purposes only, note that the remuneration of the outgoing Board of Statutory Auditors was established by the Shareholders' Meeting of 13 April 2018 at 50,000 euros gross per year for each Standing Auditor and 70,000 euros gross per year for the Chairman of the Board of Statutory Auditors. At the time, the participation of a Statutory Auditor in a separate Supervisory Body was not provided for, in that the relative duties were performed directly by the Board of Statutory Auditors.

The Board of Directors – taking into account the results of the broad investigation carried out by the Nomination and Remuneration Committee – invited Shareholders to assess, during the presentation of the proposed remuneration for the new Board of Statutory Auditors, the appropriateness of supplementing the compensation currently assigned to the Chairman and the Statutory Auditors with an additional 5,000 euros for each member (establishing the remuneration respectively at 75,000 euros and 55,000 euros gross per annum), considering the considerable commitment required of them during the term of office, also in terms of their presence at the various meetings.

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Dear Shareholders, in light of the foregoing, we therefore invite you to resolve, in the terms and manner set out above, on the following:

- (i) appointment of the members of the Board of Statutory Auditors;
- (ii) appointment of the Chairman of the Board of Statutory Auditors, in the terms and manner set out above,
- (iii) the remuneration of the standing members of the Board of Statutory Auditors.

Candidates should also authorise publication of their curriculum vitae on the Company website, ensuring that details they do not wish to be disseminated are not included.

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For the Board of Directors

The Chairman, Emanuele Tournon