



**REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP FOR THE YEAR 2019, OF
INFRASTRUTTURE WIRELESS ITALIANE S.P.A.**

pursuant to Article 123-*bis* Legislative Decree 58/1998 (known as Consolidated Law on Finance, hereinafter “TUF”, from its Italian initials)

(The Report was approved by the Board of Directors
on March 5, 2020 and is available on the Company’s website www.inwit.it/governance/assemblea-azionisti)

Infrastrutture Wireless Italiane S.p.A.
Registered Office Via Gaetano Negri n. 1 - Milan
Share capital of €600,000,000.00 fully paid
Tax code and registration number on the Register of Companies of Milan-Monza-Brianza-Lodi
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GLOSSARY

Code of Conduct/Corporate Governance Code: The Corporate Governance Code of listed companies approved in July 2018 by the Committee for Corporate Governance and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, available to the public at

<https://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/codice2018clean.pdf>

Issuer or Company: Infrastrutture Wireless Italiane S.p.A., otherwise known as INWIT S.p.A.

Corporate Governance Principles: This document contains the rules on corporate governance set by the Issuer's Board of Directors, as a supplement to the requirements of the Corporate Governance Code published by Borsa Italiana, which has been adopted by the Company.

Consob Regulation on Issuers: The regulation issued by Consob with Resolution number 11971 of May 14, 1999 (as amended) regarding Issuers.

Market Regulations: The regulation issued by Consob with Resolution number 20249 of December 28, 2017 (as amended) regarding Issuers.

Consob Related Parties Regulation: The regulation issued by Consob with Resolution number 17221 of March 12, 2010 (as amended) on related party transactions.

Report: The corporate governance and ownership report prepared by the Issuer in accordance with Article 123-*bis* of the Consolidated Law on Finance.

Consolidated Law on Finance/TUF: Legislative Decree no. 58 of February 24, 1998 (as amended).

1. INTRODUCTION

INWIT's corporate governance system is structured according to the traditional model as described in Article 2380 *et seq* of the Italian Civil Code.

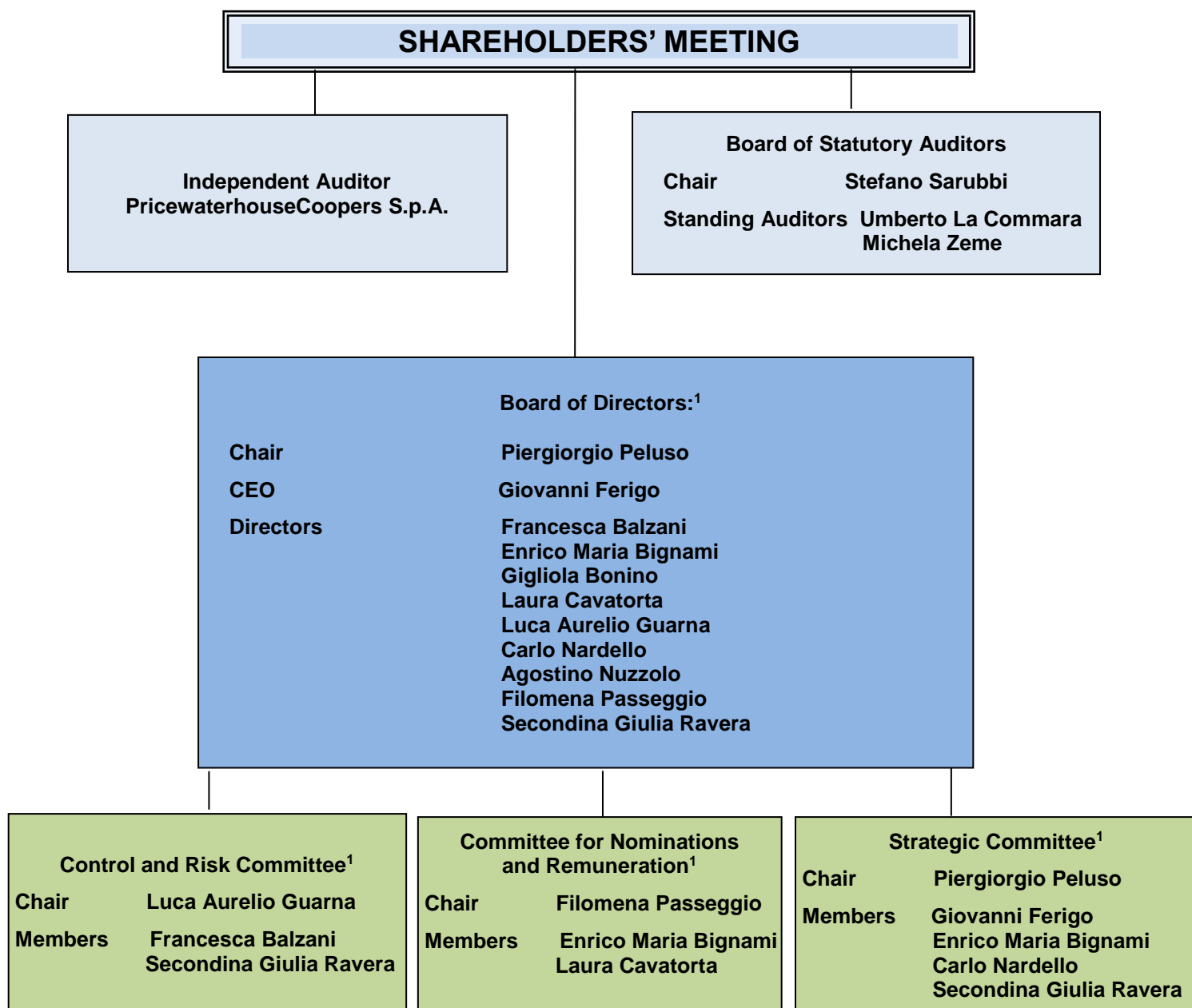
The Company's organization includes:

- a Board of Directors responsible for the Company's management;
- a Board of Statutory Auditors, which is tasked with (i) overseeing compliance with the law and the Company Bylaws and compliance with the principles of sound administration in the conduct of the Company's activities, (ii) overseeing the adequacy of the organizational structure and administration and accounting system of the Company, and the reliability of that system in providing a correct representation of management events, (iii) overseeing the financial reporting process, the legal audit of the annual and consolidated accounts, and the independence of the legal auditing firm, (iv) overseeing the overall adequacy of the risk management and control system, (v) checking the concrete implementation of the rules of corporate governance as provided for in the code of self-governance, and finally (vi) overseeing the adequacy of the instructions given by the Company to its subsidiaries, extraordinary corporate transactions and other significant events, related and connected party transactions;
- the Shareholders' Meeting, the ordinary or extraordinary sessions of which are responsible for deciding (i) the election and revocation of members of the Board of Directors and the Board of Statutory Auditors, and their remuneration and responsibilities, (ii) approval of the financial statements and the appropriation of profits, (iii) the purchase and disposal of own shares, (iv) share ownership plans, (v) changes to the Company Bylaws (other than those that are merely amendments to comply with the provisions of law), (vi) the issue of convertible bonds.

Any non-alignment or partial alignment with specific provisions of the Corporate Governance Code updated in July 2018, which has been adopted by INWIT, has been justified in the section of the report on governance practices otherwise applied by the Company.

The information in this report refers to the 2019 financial year and with regard to specific issues, is updated to the date of the Board of Directors' meeting that approved it (March 5, 2020); for details on the subject of remuneration, please refer to the Report on remuneration policy and fees paid (hereinafter the "Remuneration Report").

GOVERNANCE SYSTEM



¹ COMPOSITION AS AT THE DATE OF APPROVAL OF THIS REPORT

2. INFORMATION ON OWNERSHIP (Article 123-bis, subsection 1, CLF)

as at December 31, 2019

a) Share capital structure

The subscribed and paid-in share capital amounts to €600,000,000.00 divided into 600,000,000 shares with no nominal value (see Table 1).

No other financial instruments with the right to subscribe to new shares have been issued.

b) Restrictions on transfer of shares

There are no restrictions on the transfer of shares issued by the Company.

c) Major holdings in share capital

The significant direct and indirect shareholdings in INWIT's ordinary capital on the date of publication of this report can be seen in Table 1 – Information on ownership.

d) Shares with special rights

No shares granting special rights of control on INWIT have been issued.

e) Employee shareholding: mechanism for exercising voting rights

There is currently no employee share ownership plan.

f) Restrictions on voting rights

There are no restrictions on the voting rights of shares constituting INWIT's ordinary share capital.

g) Shareholders' agreements

There is no knowledge of the existence of shareholders' agreements identified in the Consolidated Law on Finance concerning the Company's shares, with the exception of the agreements pursuant to (i) the agreement signed on July 26, 2019 (as subsequently amended and supplemented on November 22, 2019) between TIM, Vodafone Italia S.p.A. (VOD), Vodafone Europe BV (VOD EU) and INWIT, which regulates and regulates the terms and conditions of the operation to combine the towers of VOD with those of INWIT and, among other things, the activities which are preparatory and/or functional to the implementation of the merger (including the acquisition by Inwit of a minority interest in Vodafone Towers S.r.l. just prior to the merger becoming effective), as well as the terms and conditions of the industrial partnership between TIM, VOD and INWIT (Framework Agreement) and (ii) the shareholders' agreement that will be signed on the Closing Date (as defined in the Framework Agreement) between TIM and VOD EU aimed at regulating the relations between these two companies.

On February 28, 2020, TIM, Vodafone Italia S.p.A., Vodafone Europe BV and INWIT amended the shareholders' agreement with reference to the composition of the new Board of Directors that will take office on the effective date of the Merger.

The extract of the agreement and the essential information pursuant to Articles 122 of the Consolidated Law on Finance and Article 130 of the Consob Regulations on Issuers are published on the website www.inwit.it, section "governance/partnership agreements".

h) Change of control clauses and statutory provisions on Tender Offers

A series of agreements to which INWIT is party provides for an obligation to disclose any change of control.

In particular, the following contracts are in place, mainly with regard to relations with the parent company Telecom Italia S.p.A. ("**Telecom Italia**" or "**TIM**"):

1. Master Service Agreement (hereinafter "MSA") dated March 13, 2015 between INWIT and Telecom Italia for the provision by the Issuer to Telecom Italia of an integrated service consisting of: (i) the provision of suitable premises to accommodate and install Telecom Italia systems, (ii) power and air conditioning systems, (iii) monitoring and security services, and (iv) maintenance and management on the transferred sites (the Existing Sites).

The MSA will run for eight years from the effective date (April 1, 2015) and will automatically be renewed for a further eight years up to a maximum of 24 years, unless terminated with at least 12 months' notice prior to each expiration date.

The contract also contains a clause according to which, if there is a change of control before the end of the seventh year from the effective date, each party will have the right (Article 1331 of the Italian Civil Code) to exercise in writing, by that date, an option to automatically renew the MSA for a further eight-year period (and so on, until the expiration of the 16th year after the effective date). In this case, the right of cancellation exercisable by each party in advance of the expiration of the first period of 8 years from the effective date, as provided above, will not be applied and, if already exercised, will be considered devoid of any effect.

The MSA contains a non-disclosure and confidentiality clause.

On July 26, 2019 TIM, Vodafone and INWIT, as part of the broader operation to integrate Vodafone's infrastructure into INWIT, signed a new MSA which will become effective on the *closing* date and which will fully replace the current MSA.

2. Framework Agreement for Intragroup Services of May 7, 2015 between INWIT and Telecom Italia, governing the terms and conditions of the supply by Telecom Italia of the services listed in Annex 1 (surveillance services; services relating to workers' health and safety and environmental protection; administrative-accounting services; facility management services).

In relation to cases of change of control, the framework agreement allows Telecom Italia to withdraw from the agreement and from all or part of the above-mentioned services, in the event that INWIT is no longer part of the Telecom Italia Group.

In any case of termination of the agreement and/or of one or more of the above services for any reason, Telecom Italia will continue to provide the Services at INWIT's request for a period to be agreed, but for no more than six months after termination of the Agreement, on the understanding that the service tariffs in force at the time of termination will continue to apply and that the Agreement will remain effective during that period, insofar as necessary.

The framework agreement contains a non-disclosure and confidentiality clause.

3. Agreement of December 11, 2015 between INWIT and Telecom Italia defining the financial conditions for the activities involved in the Logical Carve-out Project, completed by June 30, 2015. It provides for the continuation of the service on the INWIT Specific System, based on terms and conditions to be defined in separate agreements.

The Agreement provides that if INWIT is no longer a subsidiary (within the meaning of Article 2359 of the Italian Civil Code), Telecom Italia will not guarantee the continued validity of the SAP license being used by INWIT.

The Agreement contains a confidentiality obligation.

4. Mandate with representation agreement of March 20, 2015 between INWIT and Telecom Italia, relating to the non-exclusive execution of instrumental and non-instrumental legal acts regarding the acquisition of products, services, tangible and intangible assets, including the leasing of movable assets and the general management of relations with suppliers and related activities.

The mandate agreement provides that for the purposes of Article 1727 of the Italian Civil Code, good cause for discontinuation of the mandate by the representative, Telecom Italia will be the case in which Telecom Italia no longer has a relationship of control over the principal, whereby relationship of control expressly refers to the provisions of Article 2359 (1) of the Italian Civil Code.

5. Subletting contracts for portions of buildings, used for office use and appurtenances for INWIT personnel, held by Telecom Italia and entered into on March 19, 2015. The contracts stipulate that if INWIT ceases to qualify as a Group company, INWIT shall enter into specific insurance coverage, maintaining it in force for the entire duration of the lease: for third party and employee liability; to cover damage to its property, and tenancy risk, up to an amount equal to the value of the least parts. When the above event occurs, it must also take out guarantees of an amount equal to three months' installments of the annual subletting rents. The sureties shall be valid and effective for the entire duration of the relevant contracts, including renewals or extensions and for six months following the final expiration date of the contracts.

The contracts include a confidentiality obligation.

6. Lease agreement relating to Infrastructure Sites, made with Telecom Italia on March 19, 2015, which provides that if INWIT no longer has an intercompany current account, when that event occurs, INWIT must provide an appropriate guarantee (the "Guarantee") equal to three months' rent, issued by a national bank or insurance company with a national presence. The Guarantee shall be valid and effective for the entire duration of the contract, including renewals or extensions and for six months following the final expiration date.

The contract contains a confidentiality obligation.

7. Contract for the supply of administrative services, entered into with Telecom Italia on April 1, 2019, pursuant to which Telecom Italia undertook to provide INWIT with a series of administrative and accounting services analytically listed in the contractual annexes. Pursuant to Article 15 of the contract, in the event INWIT ceases to be controlled by Telecom Italia pursuant to Article 2359 of the Italian Civil Code, each party will have the right to terminate the contract with 6 (six)

months' notice. On January 13, 2020, a new contract for the supply of administrative services was signed, pursuant to which each party has the right to terminate the contract in the event INWIT ceases to be controlled by TIM pursuant to Article 2359 of the Italian Civil Code or in the event Inwit ceases to be controlled by TIM pursuant to Article 2359 of the Italian Civil Code or in the event INWIT transfers the business unit of TIM concerned by the services covered by the contract to companies outside the Telecom Italia Group; the withdrawal will become effective 3 (three) months after receipt of the letter sent via certified e-mail (PEC), with which the party has informed the other party of the exercise of the right of withdrawal, without any claim for compensation and/or indemnity being made against such withdrawal, without prejudice to the fees accrued pro rata temporis at the date of effectiveness of the withdrawal. TIM also recognizes INWIT's right to withdraw from the contract at any time and for any reason by giving written notice to TIM, which provides for the right to withdraw with a notice of 3 (three) months, without INWIT being entitled to a penitential fine, compensation or indemnity for such withdrawal.

8. Service contract for the supply of an LTE or mobile network coverage network through "Small Cell", entered into with Telecom Italia on June 28, 2017, whereby INWIT undertook to provide Telecom Italia with an integrated service aimed at building an LTE coverage network or Telecom Italia's mobile network signal. Article 3.4 of the contract provides that, in the event of corporate transactions which could lead to Telecom Italia losing control of INWIT, Telecom Italia will have the right to purchase the small cell plants at an agreed redemption price, with consequent termination of the contract as from the date of the actual transfer of ownership of the small cell plants.

The contract contains a confidentiality obligation.

9. Framework contract for the supply of transmission and accessory services on multioperator and multiservice microcellular coverage systems built with DAS technology, entered into with Telecom Italia on September 18, 2019, under which Inwit grants Telecom Italia the right to use the DAS systems that INWIT will build during the duration of the contract. Pursuant to Article 30 of the contract, in the event INWIT ceases to be controlled by Telecom Italia pursuant to Article 2359 of the Italian Civil Code, Telecom will be entitled to terminate the contract with 3 (three) months' notice.

The contract contains a confidentiality obligation.

10. Framework Agreement for hospitality services, entered into with Iliad Italia S.p.A. on February 1, 2019, which provides, in Article 15.1 (b), that in the event of a change of control of one of the parties pursuant to Article 2359 of the Italian Civil Code, the party affected by the change of control must inform the other party of the change of control no later than 15 (fifteen) working days following the completion of the relevant transaction. In the event of breach of this obligation, the other party shall be entitled to terminate the Framework Agreement and each individual hospitality contract with immediate effect, pursuant to Article 1456 of the Italian Civil Code.

The contract contains a confidentiality clause.

11. Framework agreement for the support activities for the negotiation and purchase of advertising space, as well as for the planning, programming, implementation and control of advertising campaigns, signed between TIM and Havas Media, to which Inwit - as a company of the TIM Group - formally adhered on September 11, 2017, in which it is provided, in Article 20, that the parties reserve the right to withdraw from the agreement, in case of change in the controlling corporate structure of one of the parties.
12. Agreement for the provision of Travel Booking and Travel Monitoring services, entered into between Telecom Italia and HR Services, to which Inwit - as a TIM Group company - formally adhered on May 9, 2019. In the adherence contract, INWIT and HR Services have supplemented the general rules provided for in the agreement with a change of control clause under which, in the event of a change in INWIT's controlling corporate structure, the parties undertake to negotiate in good faith the new economic terms and conditions of the agreement based on the changed corporate situation. In the event of failure to reach an agreement within the following 30 (thirty) days, the parties will have the right to declare the agreement terminated, within a further 30 (thirty) days; once this term has expired, in the absence of written communications, the agreement will continue to produce effects between the parties.

Also, the finance agreement granted by Telecom Italia Finance S.A. (a company controlled entirely by Telecom Italia) on December 20, 2017 up to a maximum of €70 million provides for early reimbursement of the loan if there is a change of control of INWIT.

It also claims: (i) the loan agreement signed on May 8, 2015 with a pool of banks, for (a) a Term Line of €120 million, fully utilized, and (b) a Revolving Line of €40 million, completely unused; (ii) the loan agreement entered into on May 31, 2019 with MUFG Bank, a Term Loan of €40 million, fully utilized. The loan agreements contain a change of control clause: this gives the lending banks the right to ask the Company to repay, in advance, the sums paid and to cancel the Revolving Line.

Finally, reference is made to the loan signed on December 19, 2019 with a pool of 10 domestic and international banks, for the purchase of the 43.4% interest in Vodafone Towers and the payment of the extraordinary dividend. This loan, at the date of this Report completely unused, consists of (a) *Term Loan* of €1 billion, (b) *Bridge Facility* of €1.5 billion and (c) *Revolving Credit Facility* of €500 million, in the event of a change of control of TIM until the moment of the merger with Vodafone Towers and of TIM and Vodafone after the merger, grants the lending banks the right to request the Company to repay the amounts disbursed in advance and to cancel the Revolving Facility.

Finally, with reference to the procedure referred to in Article 47 of Law no. 428/1990, concerning personnel from Telecom Italia's Tower business units, which has been transferred to INWIT, (i) Telecom Italia undertook, for the operations of that unit relating to the legal and administrative management of the Towers, in the event of loss of control over the Issuer, to acquire the employment contracts of personnel classified as employees with an ongoing individual assignment, if those employees made a formal request for transfer during the 30 days after the announcement of the event; and (ii) INWIT undertook, given ongoing control over the same by Telecom Italia, to maintain

its current place of work (meaning the municipality of work) and not to open collective redundancy procedures, with the exception of those that do not oppose them, for a period of 24 months from the effective date of the transfer of the Business Unit.

In relation to takeover bids, the Company Bylaws do not contain any variations to the provisions on the passivity rule provided for in Article 104 of the TUF, nor do they provide for any neutralization rules as envisaged in Article 104-bis of the TUF.

i) Authorizations to increase share capital and authorizations for share buy-backs

Currently there are no resolutions by the Shareholders' Meeting that would authorize the Board of Directors to increase the share capital.

The Shareholders' Meeting of April 13, 2018 authorized the Board of Directors (Article 2357 of the Italian Civil Code) to proceed with the purchase (and subsequent disposal) also in several installments, of up to 400,000 ordinary shares in the Company (representing approximately 0.07% of the share capital) for a total expenditure of up to €2,300,000, to service the implementation of the 2018-2020 share incentive plan.

On December 31, 2019, INWIT held 222,118 own shares.

j) Direction and coordination

The Company is subject to direction and coordination by Telecom Italia, for the purposes of Article 2497 et seq of the Italian Civil Code.

At the meeting on November 7, 2017, after a lengthy preliminary process, the Board of Directors approved the adoption of Group Regulations aimed at defining the framework for the exercise of direction and coordination by TIM S.p.A. of all the Group subsidiaries, and set out the principles, limits, scope and procedural methods. The document is available on the Company's website at the following address www.inwit.it in the Governance/System of Governance section.

Subject to the effectiveness of the merger, TIM, VOD EU and Inwit have undertaken to ensure that a meeting of the Board of Directors of INWIT is held in the context of which the directors acknowledge that the management and coordination activity exercised by TIM on INWIT shall be deemed to have ceased and agree to proceed with all necessary formalities.

3. COMPLIANCE

INWIT is a public company limited by shares (*società per azioni*) headquartered in Italy and subject to Italian and EU law.

As indicated above, INWIT has adopted the Corporate Governance Code published by Borsa Italiana updated in July 2018, and adapts its own corporate governance system to reflect the national and international best practices in this area.

4. BOARD OF DIRECTORS

4.1. Appointment and replacement

According to Article 13 of the Company Bylaws, the Board of Directors (comprising a minimum of

seven and a maximum of 15 directors, as determined by the Shareholders' Meeting) is elected on the basis of lists presented by those entitled to vote and who, overall, own the number of shares required by Consob. In this regard, it should be noted that Consob Resolution no. 28 of January 30, 2020 set this quota for INWIT at 1%.

Lists containing three or more candidates must include both genders, and candidates of the less represented gender must be at least one-third of the total, with rounding up to the next integer if the number is not a whole number.

The list obtaining the highest number of votes (the Majority List) will produce four fifths of the directors to be elected, in the order in which they were listed. If the number is not a whole number, it will be rounded down. The remaining Directors are taken from the other lists. To this end, the votes obtained are divided successively by whole progressive numbers from one to the number of Directors to be elected and the quotients are assigned to the respective candidates, in the order in which they are listed. The quotients thus assigned are arranged in a single decreasing ranking and the candidates allocated the highest quotients are elected.

If multiple candidates obtain the same quotient, the candidate from the list that has not yet elected any director or which has elected the smaller number of directors, will be elected.

If none of those lists has yet elected a director or if they have all elected the same number of directors, the candidate from the list that obtained the highest number of votes from those lists will be elected. In the event of an equal number of list votes and always with the same quotient, a new vote will be held by the entire Shareholders' Meeting, with the candidate obtaining a simple majority of votes being elected.

For the appointment of Directors who, for any reason were not appointed according to the above procedure, the Shareholders' Meeting will vote on the basis of the majorities required by law.

If the composition of the resulting body does not allow a gender balance, taking into account the order of listing on the list, the most recently elected people from the majority list of the more represented gender will lose their positions, up to the number needed to ensure that the gender balance requirement is met and they will be replaced by the first non-elected candidates from the same list, of the less represented gender. In the absence of candidates of the less represented gender on the majority list in sufficient number to proceed with the replacement, the Shareholders' Meeting shall integrate the body with the majorities required by law, ensuring compliance with the requirement.

Starting from the re-election of the Board of Directors on April 13, 2018, any lists with a number of candidates of three or above must be composed of candidates from both genders, so that at least one-third (rounded up) of the candidates belong to the less represented gender.

The Shareholders' Meeting held on December 19, 2019 resolved, *inter alia*, to adopt new bylaws of the company (the "New Company Bylaws") which will come into force on the effective date of the merger of Vodafone Towers S.r.l. into INWIT approved by the aforesaid Shareholders' Meeting, which is subject to the fulfillment of certain conditions.

The New Company Bylaws and the current Company Bylaws were updated by the Board of Directors on February 6, 2020 to bring them into line with the new regulations on gender quotas.

The current Company Bylaws and the New Company Bylaws (coming into force on the effective date of the merger) are available on the following website www.inwit.it, in the Governance section.

Succession plan

On March 16, 2017 the INWIT Board of Directors, following a preliminary procedure conducted by the Nomination and Remuneration Committee, approved a succession plan for the executive directors, and the replacement plans for the CEO and key managers.

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

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

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

The Succession Plan is activated in the event of the need to replace the Chief Executive Officer or the Chair in advance due to unforeseeable events. In this eventuality, if the CEO resigns, his/her powers will provisionally be allocated to the Chair until the new CEO takes office. Where the Chair ceases to hold office, he/she will be replaced by the Chief Executive Officer or the most senior Director until the new Chair takes office.

In the event of resignation of the CEO due to expiration of their mandate, the Nomination and Remuneration Committee – on the instructions of the Board of Directors and with the support of the Human Resources Function – will begin the search for candidates to take over as CEO. The names will then be submitted for approval by the Board of Directors.

The Human Resources Function, which manages and implements the succession plans, began a periodic update by checking the selection of successors, in terms of suitability for the role. It will report to the Nomination and Remuneration Committee on the findings and on the process KPIs.

4.2 Composition

The Shareholders' Meeting of April 13, 2018 appointed the current Board of Directors; the number of Board members was set at 11 and the term of office was set at three years (until the Shareholders' Meeting called to approve the financial statements at December 31, 2020). The directors were also authorized to continue the activities indicated in their respective CVs, and were released from the non-competition clause (Article 2390 of the Italian Civil Code).

Pursuant to the Company Bylaws, two lists were submitted, respectively, by the controlling shareholder Telecom Italia S.p.A. and by a group of SGRs and International Investors. The highest number of votes (with 71.76% of the capital represented at the meeting) was obtained by the Telecom Italia S.p.A. list, and therefore all the eight candidates on that list were elected as directors: Stefano Siragusa, Giovanni Ferigo, Francesca Balzani (independent), Gigliola Bonino, Mario Di Mauro, Luca Aurelio Guarna (independent), Agostino Nuzzolo and Filomena Passeggio (independent).

Two of the three candidates on the asset management firm and international investors list were also elected as directors, namely Laura Cavatorta and Secondina Giulia Ravera who also declared themselves to be independents. The third candidate on the asset management firm and international and investors list subsequently announced (on April 11, 2018) that they were unwilling to accept the position. To replace that person, the Shareholders' Meeting appointed, with the legal majorities, the candidate proposed by Telecom Italia, Enrico Maria Bignami (formerly Chair of the Board of Statutory Auditors between 2015 and 2017). He declared that he met the independence criteria.

The Board of Directors verified collective and individual compliance with the directors' criteria at the first meeting following its election (April 13, 2018) and, subsequently, at the meetings held on February 18, 2019 and March 5, 2020.

On May 10, 2019, Stefano Siragusa and Mario Di Mauro resigned from the position of Director (and Siragusa also as Chair) of the Board of Directors; on May 15, 2019, the Board of Directors co-opted the non-executive Directors Piergiorgio Peluso and Carlo Nardello. These Directors, who resigned from office pursuant to law at the first Shareholders' Meeting, were appointed by the Shareholders' Meeting of December 19, 2019 until the approval of the financial statements as at December 31, 2020.

The gender representation (five women and six men) was met by the inclusion on the Board of the directors Balzani, Bonino, Cavatorta, Passeggio and Ravera, considering that the less represented gender was higher than the quota (one third of the total) required by law, the Corporate Governance Code published by Borsa Italiana and the Company Bylaws. The *curricula vitae* of the members of the administrative body are available on the website www.inwit.it, in the Governance/Corporate Bodies/Board of Directors section.

On February 6, 2020, the Board of Directors approved the necessary amendments to the Company Bylaws in force and to the New Company Bylaws (which will come into force on the effective date of the merger by incorporation of Vodafone Towers S.r.l. into INWIT), in order to bring them into line with recent legislation on gender balance in the bodies of listed companies; in particular, the articles governing the criteria and procedures for the appointment of the Board of Directors and the Board of Statutory Auditors were amended to ensure that the less represented gender has at least 2/5 of the members (instead of 1/3).

In addition, pursuant to the Agreement signed by TIM S.p.A., Vodafone Europe B.V., Vodafone Italia S.p.A., INWIT S.p.A. and Vodafone Towers S.r.l., the Company's Board of Directors has called a Shareholders' Meeting for March 20, 2020 to resolve on the appointment of a new Board of Directors,

subject to the merger and effective from the date of its effectiveness.

Table 2 contains information about the composition of the Board of Directors in office, and the changes during 2019.

Diversity criteria and policies

In the part of the Company Bylaws relating to the appointment of the Board of Directors, the provisions of the law that provided for the obligation to reserve a predetermined quota of members to the less represented gender are taken into account. For a description of the procedures for the presentation of the lists that ensure the presence according to the required proportion of the less represented gender, reference should be made to Article 13 of the Company Bylaws. In this regard, the presence of five representatives of the less represented gender on the Board of Directors is noted, i.e. with a percentage higher than that required by law.

In the awareness that the inclusion of members from different professional backgrounds with different managerial experience and different genders is an opportunity and a value, the Company Bylaws, which were adopted ahead of its listing, provided that reserving a predetermined quota of members of the Board of Directors and of the Board of Statutory Auditors to the less represented gender as provided for by law. The Company Bylaws amended by the Board of Directors on February 6, 2020 in this regard refer to the regulations in force at the time.

Although the Company has not yet adopted further diversity policies in relation to the age, qualifications and educational/professional backgrounds of its directors, the Company does pay attention to diversity issues regardless of legal requirements.

Since it was incorporated, INWIT's human capital management policy has promoted equal treatment and equal opportunities between the genders and within the whole organization and the Company has monitored the progress of this policy.

The adoption of these principles is mainly guaranteed through the hiring policy, human resource management and development policy, and reward policy.

Through hiring policy, the number of women in the organization has increased: in 2015 the percentage of women was 25% of the total workforce, while by the end of 2019 the percentage had risen to 39%. The greater presence of women has affected all the company structures hired: both in staff and line functions, where typically the male component was more prevalent.

Management development policy has also been informed of the principles of equal opportunities and the necessary rebalancing of the gender gap: 50% of top management positions, represented by the first line reporting to the CEO, are assigned to women. The position of Chief Technology Officer, which is typically characterized by technical know-how and traditionally allocated to male managers, is currently held by a woman.

Also in terms of the gender pay gap, the Company is committed to adopting – with the monitoring of the Nomination and Remuneration Committee – reward policies aimed at ensuring the alignment of salaries to bridge the gap between men and women with the same operational roles or managerial

positions.

Maximum number of directorships in other companies

According to the Corporate Governance Principles, the position of director of the Company is not compatible with the holding of a directorship or auditorship in more than five companies other than those directed and coordinated by Telecom Italia S.p.A. or controlled by or related to Telecom Italia,

- or listed on the FTSE/MIB index and/or
- mainly operating in the financial sector for the public and/or providing banking or insurance services.

In the case of executive positions in companies with the above characteristics, the limit is reduced to three. However, the Board of Directors has the right to make a different assessment (to be made public in the Annual Corporate Governance Report), also departing from the criteria set out above. If a director holds positions in multiple companies in the same Group, this is considered a single position in the scope of that Group, for the purposes of calculating the number of directorships.

The Directors who served during the 2019 financial year respected the accumulation limits indicated above.

Induction

In 2019, the directors and statutory auditors attended a management and consultants' induction day as required by Article 2.C.2. of the Corporate Governance Code published by Borsa Italiana. The aim is to provide them with adequate knowledge of the contents of the Master Service Agreement entered into by the Company with TIM.

Updates regarding the regulatory framework and corporate governance rules have been included in specific memoranda.

4.3 Role of the Board of Directors

During 2019, ten meetings of the Board of Directors were held; the average duration of the meetings was about two hours and forty minutes. The percentage of attendance was about 92% (98% for the Independent Directors). The Board has already met twice in 2020. 3 more meetings are currently scheduled.

The pre-Board meeting information, aimed at allowing informed participation in the proceedings, was conveyed with the support of a special IT platform and made available, as a rule, within the ordinary time limit for convening the meeting, and in any case in a timely manner compatible with the circumstances of the case; in circumstances in which confidentiality or urgency requirements prevented compliance with the above notice, adequate in-depth analysis was carried out during the Board meetings. When required by the topics discussed, company management representatives or external consultants were invited to attend the meetings, who provided the necessary technical-professional support.

Tasks reserved for the Board

Without affecting the application of the corporate governance code on issues reserved for the Board sitting in plenary session, according to the corporate governance principles, the following matters are considered to have a significant impact on the activities of the Company and of the Group, and as such are subject to a prior decision by the Board:

- agreements with competitors, which in terms of the commitments, influences and limits that may result will have a long-term impact on the freedom of strategic business decisions (such as partnerships or joint ventures);
- investments and divestments exceeding €50 million, and in any event purchases or sales of shareholdings, or businesses or business units that are of strategic significance in the overall framework of the business; transactions that may involve, in their performance or at their end, commitments and/or deeds of purchase and/or disposal of such nature and scope;
- the acceptance of loans for amounts exceeding €50 million and the granting of loans and guarantees in favor of non-subsidiary companies for amounts exceeding €50 million; transactions that may involve, in their performance or at their end, commitments and/or acts of this nature and scope;
- the listing and delisting on regulated European or non-European markets, of financial instruments issued by the Company or by Group companies;
- the acts and operations that involve: (i) entry into (or exit from) commodity markets; (ii) the overrunning by more than 25% of the total value of the budgeted industrial investments;
- any of the above transactions to be carried out by subsidiary companies.

The progress of business management will be evaluated from time to time during the various meetings. Specifically, it will be assessed by comparing the results against the budget objectives when the financial reports and management data are examined. During the year, the Board of Directors evaluated the structure of the organization, the administration and general accounting of the business, based on the information supplied by management, also relying on the work done by the Control and Risks Committee with regard to the internal control and risk management system.

The flow of information to the Board, depending on the exercise of the powers and responsibilities of the Board of Directors, concerns, in addition to the matters examined in the meeting and the follow-up of the decisions taken, the general performance of operations and their foreseeable evolution; market consensus and analysts' evaluations; the activity carried out, in particular with reference to the most significant economic, financial and equity transactions or those of particular sensitivity (for example, with respect to 2019, the integration transaction with Vodafone's towers); any further activity, transaction or event is deemed appropriate by the Chair or the CEO to bring to the attention of the Directors.

Self-assessment

In accordance with Application Criterion 1.C.1. para. g) of the Corporate Governance Code, the Board of Directors has conducted a self-assessment process, as in every year since 2015.

For the 2019 financial year, it was deemed appropriate to call on the support of a consultant - identified by the Nomination and Remuneration Committee in Egon Zehnder - taking into account the dynamics that have developed internally within the Board of Directors and the Board Committees that are much more complex than in previous financial years (for the issues of particular importance being addressed) and the planned appointment of a new Board of Directors (see paragraph 4.2). The abovementioned consultant had not performed any assignments for INWIT in the previous 24 months and provided the Parent Company with the following services *Board* review in the previous year, as well as headhunting services ; because of the high standing the company's professionalism, it was considered that this did not compromise the characteristics of independence and objectivity required by the assignment.

The self-assessment, referring to the year ended December 31, 2019, was carried out in January and February 2020 and was carried out in line with the most advanced methodology at international level. The advisor prepared a questionnaire, shared it with the Nomination and Remuneration Committee, and administered it to all members of the Board of Directors and the Board of Statutory Auditors (as well as the Secretary of the Board), followed by an individual interview.

The areas under investigation were: the composition, role and functioning of the Board of Directors, the areas of expertise and experience of its members, relations between the directors and those between the Board and management; risk governance, the role, composition and functioning of the Committees.

The process was completed in the second half of February 2020.

A substantially positive assessment emerged from the review. In particular, the following are considered areas of strength:

- the qualitative profile of the Board, in terms of skills, professionalism and experience represented, which has stimulated the commitment and active participation of its members;
- the motivation and transparency of the Directors, which favors the liveliness and richness of Board discussions, in a very positive and transparent climate;
- the Board's decision-making capacity favored by the transparent and expert role of the Chair and the competence and authority of the Chief Executive Officer;
- the current structure of the Board committees and the composition of the same considered suitable to deal with the issues within their remit;
- the monitoring of risks, with careful and constant management of the governing bodies.

The process has shown that there is room for further improvement:

- the increase in the number of members of the Board with technological expertise, managerial experience and international profile;
- more in-depth analysis of certain issues (evolution of remuneration policies; succession plans for key figures, in particular the Chief Executive Officer and key management positions; strategies; sustainability).

Finally, the need to reflect on the overlapping of the functions of the Supervisory Body with those of the Board of Statutory Auditors has emerged.

Competing activities

The Shareholders' Meeting of April 13, 2018 authorized the continuation of the activities of the directors elected at that time, releasing them from the non-competition clause pursuant to Article 2390 of the Italian Civil Code.

During 2018 there were no problems in terms of the specific law on competition and interests of directors.

4.4. Delegated bodies

The award and revocation of powers delegated to the directors is the remit of the Board, which determines the object, limitations and mode of exercise of these powers.

At its meeting on April 13, 2018 the Board of Directors appointed Stefano Siragusa as the Chair of the Board of Directors, and Giovanni Ferigo as the CEO and General Manager. On May 15, 2019, the Board of Directors, in place of Stefano Siragusa who resigned, appointed Piergiorgio Peluso as Chair of the Board of Directors, granting him powers of legal representation and legal representation. Giovanni Ferigo was granted the same powers of management as those granted to the previous CEO, specifically the power of legal representation of the Company, responsibility for market disclosures and strategic management, for overall governance of the Company and of the group, and for the management of extraordinary transactions. He has been given responsibility for defining - in execution of the guidelines established by the Board of Directors - the internal control system, taking care of its adaptation to changes in operating conditions and in the legislative and regulatory framework.

As at December 31, 2019, the following functions reported to the CEO:

- the Marketing & Sales Function, headed by Gabriele Abbagnara;
- the Administration, Finance and Control & Business Support Function, headed by Andrea Balzarini, to whom the following departments report: Administration, Control and Risk Management, headed by Rafael Perrino, and Finance & Investor Relations, headed by Emanuela Martinelli;
- the Technology & Operations Function, headed by Elisa Patrizi;
- the *Legal*, Corporate Affairs & Compliance Department, headed by Salvatore Lo Giudice;
- the Human Resources Function, headed by Francesca Stacchiotti (from December 20, 2019 and previously headed by Gabriella Raffaele);
- the Institutional and External Communication Function, headed by Marco Signoretti.

4.5 Other Executive Directors

As at December 31, 2019, only the Chief Executive Officer (and General Manager) Giovanni Ferigo was considered an executive director.

4.6 Independent directors

INWIT has adopted the principles of the Corporate Governance Code published by Borsa Italiana, regarding the independence of directors.

At its meeting held on April 13, 2018, the Board of Directors carried out the first verification of the independence requirements of its members, appointed by the Shareholders' Meeting on the same date. It found that six of the 11 directors met the independence requirements as defined in the Consolidated Law on Finance and the Corporate Governance Code: Francesca Balzani, Enrico Maria Bignami, Laura Cavatorta, Luca Aurelio Guarna, Filomena Passeggio and Secondina Giulia Ravera.

During the meeting held on April 18, 2018 the Board of Statutory Auditors verified the requirements and the proper application of the independence criteria.

The continued existence of the independence requirements for the six Directors indicated above was verified by the Board of Directors on February 18, 2019 and March 5, 2020. For its part, on February 27, 2019 and March 13, 2020, the Board of Statutory Auditors renewed its checks on the independence criteria and on their proper application.

4.7 Lead Independent Director

In the meeting held on May 10, 2018, at the indication of the Independent Directors, the Board of Directors identified as Lead Independent Director the Director Enrico Maria Bignami, who represents the point of reference and coordination of the requests and contributions of the Independent Directors. The Lead Independent Director can delegate business units to exercise his/her duties and can hold Independent Directors' Executive Sessions to discuss issues that relate to the operation of the Board of Directors or the management of the Company.

During 2019 the Independent Directors met one; so far in 2020, 1 meeting has been held.

5. MANAGEMENT OF COMPANY INFORMATION

INWIT has adopted a complex system of rules and procedures for the proper management of the information handled within the Company, in accordance with the regulations applicable to various types of data; these rules apply at the organizational, technological and operational procedures level. The processing of information, in particular, is supported by information systems and processes related to their development, maintenance and operation, which are based on specific company requirements and rules.

Following the entry into force, in July 2016, of EU Regulation no. 596/2014 (the so-called Market Abuse Regulation or MAR), the Board of Directors approved at its meeting of July 25, 2017 the new "Procedure for inside information and insider dealing", which was subsequently updated (on May 15, 2019) mainly to take into account the "Guidelines" published by Consob on October 13, 2017, on the management of inside information, which include "*a possible reference prototype for the issuer, partly based on binding provisions and partly based on Consob guidelines*", devoid of prescriptive

content and of the changes to the organizational structure made during 2018 and 2019.

The updated Procedure regulates the management of relevant information in a more analytical manner by providing, inter alia, for the establishment of a register of persons who have access to relevant information managed through an application with a separate section from that of persons who have access to inside information and identifies the Company Functions normally involved (“FOCIP”)

in the process of qualification and management of inside information and relevant information.

The Inside Information and Insider Dealing Procedure is available on the following website www.inwit.it, in the Governance section

At the meeting on February 27, 2015 the Board of Directors decided to vary its obligations to make disclosures in the case of significant mergers, demergers or capital increases by contributions in kind, acquisitions or disposals.

6. INTERNAL BOARD COMMITTEES

The Board has a Nomination and Remuneration Committee, a Control and Risks Committee and a Strategic Committee, whose functions are described in the Company’s Corporate Governance Principles and in the respective regulations (available at www.inwit.it, in the Governance section). The Chairpersons of the Committees (all in an advisory and investigative capacity) shall inform the Plenary Session of the topics discussed at the first meeting thereafter.

In relation to the completion of transactions with related parties, the procedure adopted by Inwit (in accordance with the Consob Related Parties Regulation), which came into force on January 1, 2019, identified the Related Parties Committee, which coincides with the Control and Risk Committee, as the committee responsible for issuing opinions on more or less significant related party transactions (see paragraph 12).

7. NOMINATION AND REMUNERATION COMMITTEE

Composition and functioning

The regulations of the Nomination and Remuneration Committee (hereinafter, in the paragraph below, only the “Committee”) are contained, in addition to the Company’s Corporate Governance Principles, in the specific regulations approved by the Board of Directors at its meeting of July 27, 2015 (documents available on the website ‘www.inwit.it, in the Governance section) the document was deemed by the new Committee appointed on April 13, 2018 not to be in need of amendments. At the meeting held on April 13, 2018, following the Shareholders’ Meeting that appointed the new Board of Directors for the three-year period 2018-2020, the Board of Directors set the number of members at 3 (including one Director taken from the minority list submitted in accordance with the Company Bylaws), appointing the non-executive and independent Directors (Enrico Maria Bignami, Laura Cavatorta and Filomena Passeggio). At the first meeting of the Committee (held on May 8, 2018), Director Passeggio was appointed to the Chair. All members of the Committee have

appropriate expertise in finance or remuneration policies.

Functions and activities

The committee – based on operational efficiency reasons – performs the duties and responsibilities set by the Corporate Governance Code published by Borsa Italiana for the Nomination and Remuneration Committee, in accordance with the Corporate Governance Principles.

With regard to the specific remit of the remuneration committee, in accordance with Article 5, application principle 5.C.1 of the Corporate Governance Code, the committee:

- a) provides opinions to the Board of Directors in relation to the size and composition of the Board, and expresses recommendations about the roles whose presence on the Board would be appropriate, as well as the topics referred to in Articles 1.C.3 and 1.C.4;
- b) proposes candidates to the Board of Directors, for the position of director in the cases of co-opting, or where there is a need to replace independent directors.

In addition, with regard to the specific remit of the remuneration committee, in accordance with Article 6, application principle 6.P.4 and application principle 6.C.5 of the Corporate Governance Code, the Committee:

- a) proposes to the Board the adoption of the directors' remuneration policy and the policy for directors with strategic responsibilities;
- b) periodically checks the adequacy, overall cohesion and concrete application of the remuneration policy for directors and directors with strategic responsibilities, relying in this regard on the information supplied by the directors with delegated powers; it makes proposals to the Board of Directors on the subject;
- c) makes proposals or gives opinions to the Board of Directors regarding the remuneration of the executive directors and directors holding specific offices, and on the setting of performance targets correlated to the variable pay component; it monitors the application of the decisions taken by the Board itself verifying, in particular, the actual achievement of the performance objectives.

In addition, in accordance with the INWIT Corporate Governance Principles, the Committee:

- a. establishes the procedure and period for the annual evaluation of the Board of Directors;
- b. proposes criteria for distributing the overall annual remuneration decided by the Shareholders' Meeting for the whole Board of Directors;
- c. performs the other tasks assigned to it by the Board of Directors.

During 2019, the Committee met 9 times. The average duration of the meetings was about one hour and thirty-five minutes and the percentage of attendance at meetings was 100%. 4 meetings have already been held during 2020.

For a description of the work done by the Committee, please see the report on remuneration for 2019, which can be found on the Company's website at www.inwit.it in the Governance section.

The Board of Directors was informed of the work done by the Committee, on various occasions, at the next available meeting.

The Committee (these meetings were attended by the Chair of the Board of Statutory Auditors or by another auditor appointed by him/her, without affecting the right of all the statutory auditors to attend),

was also given access to the information and company departments as necessary, to perform its duties. The Committee was not assigned financial resources of a predetermined amount, but it has the possibility to activate external consultants on its own.

8. REMUNERATION OF DIRECTORS AND KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

Information about the remuneration of directors and key managers with strategic responsibilities can be found in the remuneration report, which is available on the Company's website at www.inwit.it in the *Governance* section.

9. CONTROL AND RISKS COMMITTEE

Composition and functioning

The regulations of this committee (in this paragraph the "Committee") are contained in the Company's corporate governance principles and also in the specific regulations approved by the Board of Directors at the meeting on July 27, 2015 (documents available at www.inwit.it, in the Governance section); the document was deemed by the new Committee appointed on April 13, 2018 not to require any amendments.

At its meeting on April 13, 2018, following the Shareholders' Meeting that elected the new Board of Directors for 2018-2020, the Board of Directors decided that the number of members would be three (of which one Director was taken from the minority list presented in accordance with the Company Bylaws), and appointed the non-executive independent directors Francesca Balzani, Luca Aurelio Guarna and Secondina Giulia Ravera, who all have the necessary expertise with regard to accounting, finance or risk management. In the first meeting of the Committee (held on May 9, 2018) the Director Luca Aurelio Guarna was appointed as the Chair.

Functions and activities

The Committee is an advisory and propositive body, which according to Article 7, principle 7.P.3, para. (A)(ii) of the Corporate Governance Code has the task of supporting the assessment and decisions made by the Board of Directors by carrying out appropriate investigations into the internal control and risk management system, and also approves the periodic financial reports.

In accordance with Article 7, application principle 7.C.2 of the Corporate Governance Code, in assisting the Board of Directors, the Committee:

1. together with the Financial Reporting Officer, after having obtained the opinion of the external auditor and the Board of Statutory Auditors, assesses whether or not the accounting principles have been correctly applied, and, in the case of groups, their consistency for the purposes of preparing the consolidated financial statements;
2. expresses opinions on specific aspects relating to the identification of the principal business risks;

3. examines the periodic reports on the overall evaluation of the internal control and risk management system and significant reports prepared by the Internal Audit Function;
4. monitors the autonomy, adequacy, efficiency and effectiveness of the Internal Audit Function;
5. may ask the Internal Audit Function to carry out checks in specific business areas, and simultaneously reports to the Chair of the Board of Statutory Auditors;
6. reports to the Board of Directors at least once every six months at the time of approving the annual and half-yearly financial reports, on the work done and on the adequacy of the internal control and risk management system.

In accordance with Article 7, application principle 7.C.1 of the Corporate Governance Code, the Committee gives the Board of Directors its opinion on:

1. the definition by the Board of Directors of the guidelines for the internal control and risk management system, so that the main risks affecting the Company and its subsidiaries are properly identified, adequately measured, managed and monitored, and it also determines the level of compatibility of those risks with a management style that reflects the strategic objectives;
2. a periodic assessment (by the Board of Directors) at least once a year, of the adequacy of the internal control and risk management system compared to the characteristics of the business and the risk profile, as well as its efficiency;
3. approval at least once a year by the Board of Directors of the plan of action prepared by the head of the Internal Audit Function, after consulting the Board of Statutory Auditors and the director responsible for internal control and risk management;
4. the description by the Board of Directors in the corporate governance report, of the main characteristics of the internal control and risk management system, and an expression of the adequacy assessment of that system;
5. an assessment by the Board of Directors, after consulting the Board of Statutory Auditors, of any results declared by the legal auditor in the letter of recommendations and in the report on fundamental issues emerging during the legal audit;
6. appointment and revocation (by the Board of Directors) of the Head of the Internal Audit Function; adequacy of the resources with which the Head of the Internal Audit Function is provided with respect to the performance of his/her duties; definition (by the Board of Directors) of the remuneration of the Head of the Internal Audit Function consistently with company policies.

In addition, in accordance with the INWIT Corporate Governance Principles, the Committee:

- exercises a function of high-level supervision on corporate social responsibility, checking that the actions carried out are consistent with the principles of the code of ethics and the values of the group;
- performs the other tasks assigned to it by the Board of Directors.

Meetings of the Committee that are not conducted jointly with the Board of Statutory Auditors are attended by the Chair of the control body (or if he/she is unable to attend, by another statutory auditor delegated by him/her, without affecting the right to attend of all the statutory auditors).

It should be noted that the Control and Risk Committee is absorbing the functions and duties of the committee - called the Related Parties Committee - referred to in the Procedure for the execution of transactions with related parties, in force since January 1, 2019.

With respect to more significant transactions, the Related Parties Committee assesses - taking into account the characteristics of the specific transaction - the opportunity to invite the other Independent Directors to attend its meetings, without voting rights.

In 2019, the Control and Risk Committee met 16 times, in the role of Related Parties Committee, in order to carry out, among other activities, the preliminary investigation of the related party transaction of greater significance having as its sole purpose the combination of the towers of Vodafone Italia S.p.A. with those of INWIT and the completion of an industrial partnership through the signing of commercial agreements (the Significant RPT) between INWIT, Vodafone Italia S.p.A. and TIM S.p.A. To this end, the Committee focused on a number of issues deemed to be of greater significance: the various aspects of the Master Service Agreement, issues related to the structure of the transaction and its timing; Antitrust issues; the Framework Agreement.

The Committee, supported during the preliminary investigation by Studio Legale Associato Allen & Overy and Equita SIM, finalized its opinion on the Significant RPT at the end of the investigation (on July 26, 2019).

For a detailed description of the activities carried out by the Related Parties Committee, please refer to the Information Document relating to the significant RPT, available on the Company's website at www.inwit.it/it/governance/documenti-informativi.

The independent directors of INWIT, Enrico Maria Bignami, Laura Cavatorta and Filomena Passeggio, who attended all 16 meetings (with the exception of one Director at one meeting), were also invited to attend the meetings.

During 2019, the Committee expressed its opinion on less significant transactions with related parties and, in addition, it analyzed the reports of the Audit Function, acquiring an assessment of the internal control and risk management system, which it shared and endorsed; it expressed its opinion on the planning of the related activities, monitoring their progress and requesting - when deemed necessary - specific interventions, as well as on the provision of audit services to the Company by a consulting firm identified following a specific tender (meeting held on March 4, 2020); it periodically met with representatives of the independent auditors to receive information on the related activities.

The Committee also checked the appropriateness of the procedure for goodwill impairment testing and the testing of the assets with an indefinite useful life, approved by the Board of Directors.

The Committee expressed a favorable opinion on the 2019 MBO form of the Head of the Audit Function; it followed the process of updating the Procedure for inside information and insider dealing and took note of the amendments to the 231 Organizational Model.

The Committee informed the Board of Directors of the work done on various occasions, at the next available meeting.

The Committee was also given access to the information and company departments as necessary, to perform its duties. The Committee was not assigned financial resources of a predetermined

amount, but it has the possibility to activate external consultants of its own choice.

In 2019 the Committee (including as the Related Parties Committee) held 28 meetings in all (of which 13 were entirely or partially held jointly with the Board of Statutory Auditors),

All meetings were recorded in minutes, with the support of company management, representatives of the auditing firm and external consultants. The average duration of the meetings was approximately two hours and fifty minutes and the percentage of attendance was approximately 98%. The Board of Statutory Auditors attended all meetings with at least the participation of its Chair. In 2020, the Committee met 4 times (of which 2 times also in the function of Related Parties Committee); currently the Committee does not have an annual plan of activities. As standard practice, it meets prior to all the Board of Directors' meetings, called to approve the periodic financial situations.

10. STRATEGIC COMMITTEE

Composition and functioning

On July 23, 2018 the Board of Directors resolved to set up a Strategic Committee, calling on the Chair of the Board of Directors Stefano Siragusa, the Chief Executive Officer Giovanni Ferigo and the Directors Enrico Maria Bignami (Independent), Mario Di Mauro and Secondina Giulia Ravera (Independent) to be its members.

At the meeting held on May 15, 2019, the Board of Directors, after appointing (pursuant to Article 2386 of the Italian Civil Code) Piergiorgio Peluso (conferring on him the office of Chair) and Carlo Nardello, in place of the resigning Directors Stefano Siragusa and Mauro Di Mauro, proceeded to complement the composition of the Committee by appointing the aforementioned Directors. The Shareholders' Meeting held on December 19, 2019 appointed Piergiorgio Peluso and Carlo Nardello, who had been removed from office pursuant to Article 2386 of the Italian Civil Code, and on the same date the Board of Directors reappointed Director Peluso as Chair and appointed Director Carlo Nardello as a member of the Strategic Committee.

At the date of this Report, the Committee is therefore made up of Piergiorgio Peluso, Chair of the Strategic Committee, Giovanni Ferigo, Enrico Maria Bignami, Carlo Nardello and Secondina Giulia Ravera.

The regulations of the Strategic Committee are contained in the Corporate Governance Principles and also in the Regulations available at www.inwit.it in the Governance section).

The Committee reports on the activities performed to the Board of Directors in the most appropriate manner, and in any case on each occasion at the first possible meeting, through its Chair.

Functions and activities

The Committee carries out the duties of a fact-finding and consulting nature attributed to it by the Corporate Governance Principles. In particular, it

- provides support on strategic matters;

- carries out preliminary assessments on strategic decisions at the request of the Chair of the Board of Directors and of the CEO, and in accordance with their functions and powers;
- provides opinions and formulates recommendations on strategic plan proposals to bring to the Board of Directors.

Meetings are called by the Chair of the Board of Directors or at the request of the CEO.

During 2019 a meeting was held which lasted one hour and ten minutes and was attended by all members. The meeting focused on the technological scenario in which the Company operates and the new business development program.

During 2020 the Committee has met once.

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Structure and organization

The Internal Control and Risk Management System (hereinafter, for the sake of brevity: the Internal Control System) is structured and operates in accordance with the principles and criteria of the Corporate Governance Code published by Borsa Italiana. It is an integral part of the general organizational framework of the Company and of the Telecom Italia Group, and involves a number of actors who operate in a coordinated manner according to their respective responsibilities, as follows: the Board of Directors is responsible for strategic guidance and supervision; the CEO and management are responsible for monitoring and managing the Company's operations; the Control and Risks Committee, and the Head of the Audit Function, have a monitoring role and lend support to the Board of Directors; and the Board of Statutory Auditors has a supervisory role.

An effective internal control and risk management system helps to ensure, among other things, that all the information (not only financial) provided to the corporate bodies and the market, is reliable.

In particular, the Internal Control and Risk Management System is made up of a set of rules, procedures and organizational structures aimed at enabling - through an adequate process of identification, measurement, management and monitoring of the main risks - a healthy, correct and consistent management of the company in accordance with the set objectives. As such, it is a process aimed at pursuing the values of substantial and procedural fairness, transparency and accountability, considered to be the foundations of Inwit's business actions, in compliance with the provisions of the Code of Ethics and Conduct of the Telecom Italia Group and the Company's Corporate Governance Principles (both available on the website www.inwit.it, in the Governance section). This process, constantly monitored with a view to progressive improvement, is intended to ensure, in particular, the efficiency of company operations and entrepreneurial conduct, its transparency and verifiability, the reliability of information and management and accounting data, and compliance with applicable laws and regulations as well as the safeguarding of company integrity and its assets, in order to prevent fraud against the Company and the financial markets.

The Board of Directors, being responsible for the internal control and risk management system, sets the guidelines for the system and checks that they are adequate, efficient and function properly, also

checking that the main risks (including the operational, compliance, and financial risks) are properly identified and managed over time.

In making its assessment with respect to 2019, the Board has adopted the opinion expressed by the Control and Risk Committee, which found that the current structure of internal controls and the operating procedures of the system are substantially adequate with respect to the characteristics of the Company, the related development strategies and the progressive evolution of the organizational structure. The Committee reiterates its recommendation to Management, already expressed in the previous Report, to ensure maximum commitment to strengthening the internal control system, including through actions aimed at complementing the organizational structure by providing for the placement of an employee with “risk management functions”.

Enterprise Risk Management

INWIT, in line with the parent company TIM, adopts an enterprise risk management (ERM) system defined on the basis of best practices in order to identify potential events that may influence the fulfillment of the main business targets set in the strategic plan. The ERM system makes it possible to identify, assess and manage risks homogeneously within the Company, highlighting potential synergies between the parties involved in the assessment of the Internal Control System. Particular focus is placed on the relationship between the ERM process and the industrial planning process, particularly in the proposition of the acceptable risk level for INWIT (Risk Appetite) and its declination in the levels of deviation acceptable to the main corporate objectives (Risk Tolerance).

The ERM process is designed to identify potential events that may impact on business activity, to bring the risk back within acceptable limits and to provide reasonable assurance of the achievement of the corporate objectives.

The process adopted is cyclical and consists of the following output:

1. Definition of Risk Appetite and Risk Tolerance

- *Risk Appetite* is the amount and type of risk, at an overall level, that a company is willing to accept in the creation of value, or in the pursuit of its strategic objectives (definition by the Committee of Sponsoring Organizations of the Treadway Commission, CoSO 2013). It is defined annually by the Board of Directors during the sessions dedicated to the approval of the Industrial Plan and after the preliminary investigation by the Control and Risk Committee. If the level of Risk Appetite is exceeded, the Board assesses the reasons for the exceedance and the adequacy of the recovery plans. The analysis is currently postponed to the presentation of the business plan for the period, expected after the merger with Vodafone Towers.

- *Risk Tolerances* represent the level of risk that the Company is willing to assume, with reference to the individual categories of objectives (strategic, operational, compliance and financial: according to the CoSO classification). Within each category of objectives (Strategic, Operational, Financial) the relevant KPIs are identified within the Industrial Plan, on which the Risk Tolerance thresholds consistent with the above definition of Risk Appetite are expressed.

Monitoring of Risk Appetite and Risk Tolerance is the subject of periodic reporting to the Control and Risks Committee.

2. *Identification of the Risk Profile*

The Risk Universe is the document that contains the description of the main characteristics of all the risks identified, through a process that involves the entire company. These risks are placed on a grid, whose axes are the inherent risk level, tied to the potential differential compared to the Industrial Plan, resulting from the occurrence of a risk event, and the level of control. The matrix makes it possible to direct the priorities of intervention on the mapped risks.

3. *Mitigation Actions*

The risks that present incomplete levels of oversight are dealt with through specific mitigation actions with associated projects overseen by the process owner, with the support of the Enterprise Risk Management Function.

4. *Reporting*

Periodic reports to the relevant company bodies and top management, and also to the parent company, on the above output.

Financial Reporting

INWIT is aware that financial reporting is of central importance in the establishment and maintenance of positive relations between the Company and its stakeholders, and contributes, along with the company performance, to the creation of value for shareholders.

The system of internal controls over financial reporting is intended to provide reasonable assurance about the reliability¹, accuracy², trustworthiness³ and timeliness⁴ of financial reports.

In this context, INWIT relies on a regulatory/documentary system composed of the Group accounting principles, accounting and administration procedures, guidelines, operational instructions, accounting manuals and the accounts plan designed to ensure the efficient coordination and exchange of information between INWIT and the parent company, as well the proper formation of the financial statements.

In order to guarantee compliance with Italian laws (Law 262/2005) and US laws (Section 404 of the Sarbanes Oxley Act, as the Company has provided data and financial information to the parent company listed on the NYSE up to July 2019), INWIT operates a risk detection and monitoring model connected to structured, documented financial information based on the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (CoSO Report).

INWIT's risk management and internal control system on financial reporting is a structured, ongoing process, involving periodic assessment phases designed to document and assess the system's planning and operational efficiency.

¹ Reliability (of the information): information that is correct and conforms to the generally accepted accounting standards and meets the legal and regulatory requirements.

² Accuracy (of the information): information that has the characteristics of neutrality and accuracy. Information is considered neutral if it has no preconceived distortion intended to impair the decision-making process of the recipients in order to obtain a predetermined result.

³ Reliability (of the disclosure): information that is clear and complete such that it would allow investors to make informed investment decisions. The disclosure is considered clear if it facilitates the understanding of complex aspects of the business reality, without becoming excessive and superfluous.

⁴ Timeliness (of the information): information that meets the deadlines required for its issue.

The process starts with the identification and assessment of the risks⁵ regarding financial reporting. In this context, INWIT identifies, both for Group purposes and for its own independent certifications, the criteria for identifying both the scope of the entities and the “relevant” processes in terms of potential impact on financial reports (meant as all the information contained in the financial statements and notes), and the risks resulting from any failure to reach the general control objectives⁶ due to potential unintentional errors⁷ or fraud⁸, if they could have a significant impact on the financial information.

The annual process starts with an identification of the accounts and balance sheet disclosures considered to be significant based on qualitative assessments⁹ and also in relation to updated materiality criteria.

The reporting units that make a significant contribution to the composition of the pre-selected items are then identified using quantitative criteria and based on specific qualitative assessments.

¹⁰In tandem with this, the processes associated with the balance sheet items and selected disclosures are then identified and for each process the specific risks are assessed, which contextualize, phase by phase, the risk of not reaching the general control objectives. The frequency of this assessment, at least once a year, makes it possible to take into account new risks inherent in financial reporting, arising from the evolution of exogenous or endogenous factors such as market and competition, internal organization, information systems.

The inherent risks relating to components of the¹¹ *CoSO Report* are assessed in accordance with their distribution in the reference framework.

INWIT represents the system of internal controls on *financial reporting* in line with the *CoSO Report*, by documenting in an organized way¹², in a specific application, the processes, controls and assessment activities with specific allocations of responsibilities in accordance with the principle of accountability.

The process continues with an operational phase in which the controls are compared against the identified risks. During this phase INWIT updates and documents the in-house controls carried out, which can mitigate the previously identified risks.

Inwit uses different types of controls in its model, with the aim of evaluating all five components of

⁵ Risk: a potential event which, if it occurs, could compromise the reaching of objectives related to the financial reporting control system (the System), in other words the objectives of accuracy, reliability, trustworthiness and timeliness of financial reporting.

⁶ Control objectives: the set of objectives that the System intends to achieve in order to ensure a truthful and correct representation of financial reporting. These objectives consist of “balance sheet assertions” (the existence or occurrence, completeness, rights and obligations, assessment and recognition, presentation and information) and other “control objectives” such as compliance with authorization limits, the segregation of incompatible duties, checks on physical security and the existence of assets etc.

⁷Error: within the System, any unintentional act or omission that results in a misleading declaration in the report.

⁸ Fraud: within the System, any intentional act or omission that results in a misleading declaration in the report.

⁹ According to the provisions of Standard 5 PCAOB (Public Company Accounting Oversight Board).

¹⁰The standard identified processes are: Procurement, Budget.

¹¹ The components (control environment, risk assessment, control activities, information and communication and monitoring) identify what the internal control system needs in order to realize the company’s objectives (specifically, the reliability of financial reporting).

¹²For example, the business processes of each reporting unit are organized according to a conventional hierarchy, which consists of standard documents, the same throughout the Group (Real Process; Sub-Process; Activity; Control Objective) and open documents, the content of which reflects the specificity of the controls carried out by management and the consequent evaluation activities (Control, Test Design, Effectiveness Test). The pillar of INWIT’s control model is the control objective which defines and describes the requirements that management controls need to meet, in order to mitigate specific inherent risks.

the control system in relation to the objective of the reliability of its *financial reporting*. *Entity Level Controls* are defined at the Group/Company/organizational Unit level and have a pervasive impact on the effectiveness of the controls defined at process, transaction or application level. The set of these controls therefore provides a representation of the organization's sensitivity to issues such as corporate governance, risk management, responsibilities relating to the internal control system and the attribution of powers and responsibilities. IT General Controls are controls that apply to all systems, processes and data of IT organizations and respond to specific objectives¹³. Process Controls are controls that oversee business processes and are carried out through human intervention and/or directly by means of IT applications that implement or support them. Controls are classified according to their different degree of assurance between primary and secondary controls. Within primary controls we have identified, using risk-based and top-down criteria, the set of key controls, i.e. those judged to be necessary for guaranteeing with reasonable assurance that material errors in financial reporting are prevented or identified as quickly as possible.

This is followed by the evaluation phase of the controls against the risks identified, which is carried out through specific test activities, managed by a methodological guide and a strategy updated annually. According to risk-based and top-down rationales, the test activities are differentiated in terms of timing, frequency and depth, in relation to the type, classification and other characteristics of the controls. The testing activities are aimed at verifying both the effectiveness of the design and the operational effectiveness of the control. In the case of a negative test result, due to the lack of effectiveness, in the design and/or operation, of a control, the risk of error is assessed in terms of probability and impact; the risk is then managed through the opening of a formal lack of control and the definition, timing and accountability of specific remedy plans.

The director responsible for financial reporting ¹⁴(the "Financial Reporting Officer") of INWIT shall periodically report to the Control and Risk Committee and the Board of Statutory Auditors on the findings of the evaluation process described above (in particular, on any control deficiencies considered significant or material in terms of the potential impact in terms of error or fraud in the financial reports). At each meeting of these Boards, Financial Reporting Officer will provide a summary of the work carried out to that date.

The attestation process is guided by a specific Telecom Italia Group organizational procedure, which identifies roles and responsibilities in relation to the various stages of the process. Independent certification is required by national law, the Financial Reporting Officer will have final responsibility for the whole process and is directly responsible for periodically setting the scope of application of the reference laws, for the final overall evaluation of the internal controls on financial reporting, and for the management of relations with the auditing firm. *Management* has responsibility for the identification and assessment of controls in relation to the risks identified, and consequently for the assessment and management of control weaknesses and the implementation of remedial plans

¹³ The integrity of the programs, files and data, the correct development and production of applications, and the correct management of application modifications.

¹⁴ Position attributed by the Board of Directors of the company to the head of the *Administration, Control & Risk Management* Function (See paragraph 11.5).

necessary to overcome them.

11.1 Director in charge of the Internal control and risk management system

The establishment and maintenance of the internal control system is entrusted to the CEO and to the Financial Reporting Officer, insofar as each is concerned, so as to ensure the overall adequacy of the system and its actual operation, from a risk-based perspective, which is also taken into consideration when the Board of Directors' agendas are drawn up.

As part of the ERM process, the Chief Executive Officer is responsible for identifying the main corporate risks (strategic, operational, financial and *compliance* risks) with respect to the operational areas covered by the mandate, taking into account the characteristics of the Company's activities. He implements the guidelines defined by the Board, designing, implementing and managing the internal control and risk management system and constantly verifying its adequacy and effectiveness. He/she reports to the Board of Directors on the problems and critical issues that have emerged in the performance of their activities. He/she can also ask the Audit Function to carry out audits on specific operational areas, and on compliance with internal rules and procedures in executing business operations. A simultaneous report is given to the Chairs of the Board of Directors, the Control and Risks Committee and of the Board of Statutory Auditors.

11.2 Head of the Audit Department

In accordance with the Company's Corporate Governance Code, in exercising the Board of Directors' responsibility for the internal control and risk management system, the Board also avails itself of the services not only of the Internal Control and Risk Management Committee, but also of the Head of the Audit Function, which enjoys its own organizational independence and has sufficient adequate resources to carry out its own activities. The latter is responsible for supporting the administrative and control bodies in verifying the adequacy, full operation and effective functioning of the Internal Control System and, consequently, for proposing corrective measures in the event of its anomalies or malfunctions.

In accordance with the Corporate Governance Code published by Borsa Italiana, the Head of the Audit Function:

- 1) Oversees the operation of the system of internal controls and risk management, on an ongoing basis and also in relation to specific requirements in accordance with international standards, through an audit plan approved by the Board of Directors and based on a structured process of analysis and prioritize of the main risks;
- 2) is not responsible for any operational area and reports directly to the Board of Directors;
- 3) has direct access to all information useful for the performance of his or her duties;
- 4) drafts periodic reports containing information on his or her own activity, and on the risk management process, as well as about compliance with the plans defined to mitigate these risks. The periodic reports contain an assessment of the suitability of the Internal Control and Risk Management System with regard to the processes examined;

- 5) prepares timely reports on particularly significant events;
- 6) sends the reports mentioned in paragraphs 4 and 5 to the Chairs of the Board of Statutory Auditors, the Control and Risks Committee and to the Chair of the Board of Directors and the CEO, as they are responsible for the internal control and risk management system;
- 7) tests the reliability of the information systems, including the accounting system, as part of the audit plan.

The Audit Function carries out its mandate by providing the following services:

- assurance, through interventions to assess the governance, risk management and control processes of the organization (audits and complementary activities, “third level” controls, including the monitoring and follow-up on the implementation of the improvement plans defined by the structures in question);
- consultancy to support company departments on the subject of governance, risk management and control (including, for example, participation in company work groups, training initiatives and risk response tables initiated as part of the risk management process, as well as specific analyses for professional contributions).

The Head of the Audit Function also plays a role in ensuring compliance with the principles and values expressed in the Code of Ethics and Conduct. For this purpose he receives, examines and deals with whistleblowing reports relating to suspected breaches of laws, regulations and external provisions that may apply to the Company, or breaches of the code of ethics of the TIM Group, the Group’s human rights policy, the 231 organizational model of the Group, and of internal procedures. Reports and complaints received by the Board of Statutory Auditors (also possibly in the role of the 231 Supervisory Body) are also analyzed.

Reports can be made anonymously by employees, contractors, consultants, service providers or third parties who have dealings with the Group.

The Audit Function utilizes professional and financial resources that reflect its own organizational mandate, in accordance with the requirements of autonomy, adequacy, efficiency and effectiveness of said function, as required by the Corporate Governance Code published by Borsa Italiana.

The Head of the Audit Function promotes, develops and supports a program of quality assurance and improvement covering all aspects of the internal audit activity. The program provides for an assessment of compliance with the International Professional Practices Framework (IPPF) and the following internal audit procedures and a continuous evaluation of the effectiveness and efficiency of operations, including with regard to sector *best practices*. In 2019 this compliance was assessed through a third party assessment (to be carried out, in accordance with international standards, at least every 5 years) entrusted to the IIA-Institute of Internal Auditors, achieving the top rating defined by the methodology (“generally conforms”).

The Head of the Audit Function will periodically report to the Board of Directors through the Control and Risks Committee, about the results of these assessments.

As permitted by the Corporate Governance Code adopted by the Company, and as decided by the Board of Directors, subject to the opinion of the Control and Risks Committee, the Audit Function

avails itself, through a specific Framework Agreement, of the services of an audit firm, selected following a specific call for tenders, in order to carry out its own activities.

11.3 231 Organizational model pursuant to Legislative Decree 231/2001

The internal control system is completed by the “231 Organizational Model”, that is, an organizational and management model adopted pursuant to Italian Legislative Decree no. 231/2001, designed to prevent criminal offenses that may entail liabilities for the Company. The Organizational Model is structured as follows:

- the Code of Ethics and Conduct of the Telecom Italia Group, which indicates the general principles (transparency, fairness and loyalty) that inspire the Company’s actions and the conduct of its business;
- the “general principles of internal control”, which are tools designed to provide a guarantee of the fulfillment of objectives linked to efficiency and effectiveness, the reliability of financial and management information, compliance with laws and regulations, safeguarding of company assets, and protection against fraud;
- the “rules of conduct”, consisting of specific rules governing relations with third parties, formalities and corporate activities;
- the "internal control models" that describe business processes at risk of crime, any predicate offenses relating to them, the preventive control activities and the behavioral indications aimed at avoiding the related risks.

The internal control schemes have been developed in compliance with the following basic principles: (i) the separation of roles in the performance of the main activities inherent to company processes; (ii) the traceability of choices, to allow the identification of precise points of responsibility and the motivation of the choices themselves; (iii) the objectification of the decision-making processes, so that decisions are not made on the basis of purely subjective considerations, but based on pre-established criteria.

The organizational model is a dynamic tool that has an impact on the Company’s operations. The model also has to be regularly checked and updated in the light of the findings obtained from practice, and against changes in the regulatory framework.

The Organizational Model takes into consideration those criminal offenses covered by Italian Legislative Decree 231/2001, with the exception of those considered not to be directly relevant to the Telecom Italia Group. On May 15, 2019, the Company adopted a new version of the Organizational Model 231, which, among other things, incorporates the regulatory updates made with respect to the version in force until then.

As with the previous versions, the new version is an integral part of the compliance program for the application of anticorruption laws, specifically the US Foreign Corrupt Practices Act and the UK Bribery Act.

The new version of INWIT’s Organizational Model is the result of a “customization” activity begun in November 2018, with the methodological support of Tim’s Compliance Department, on the basis of

independent evaluations of the Company following suggestions from the Supervisory Body. To this end, an analysis was carried out on the processes carried out by all INWIT Functions which allowed to focus on in the new version of the Organizational Model the Internal Control Processes/Schemes carried out within the Company. After the adoption of the new version of the 231 INWIT Organizational Model, the first phase of the deployment of the 231 Organizational Model, relating to the mapping of activities at risk of 231 offenses (MAP Analysis), was started and completed, followed by a second phase relating to Gap Analysis activities.

With reference to the Supervisory Body, the related functions, in analogy with the approach adopted at the Telecom Italia Group level, are attributed to the Board of Statutory Auditors. The Supervisory Body oversees the functioning of and compliance with the Organizational Model and reports to the Board on the oversight and verification activities carried out and their results. The Supervisory Body is assisted by the Legal, Corporate Affairs & Compliance Function of the Company, which is tasked with carrying out specific compliance interventions, partly based on the findings received through the information flows sent quarterly to the Supervisory Body by the Company Functions.

During 2019, the Supervisory Body held 5 meetings; the average duration of these meetings was approximately one hour and fifty minutes. In the year 2020, 1 meeting has been held as at the date of publication of this Report.

In turn, the Legal, Corporate Affairs & Compliance Function reports to the Compliance Department of Telecom Italia, through a specific service provision mandate based on the framework agreement between the Company and the parent company.

On the website www.inwit.it, in the Governance section, there is a summary section dedicated to the 231 Organizational Model of the Company. INWIT also applies the TIM Group's Anti-Corruption Policy, which constitutes the systematic reference framework for the absolute prohibition of corrupt practices.

11.4 Independent Auditor

The Shareholders' Meeting of February 27, 2015, on the basis of a reasoned proposal by the Board of Statutory Auditors, appointed PricewaterhouseCoopers S.p.A. (hereinafter "PWC") as independent auditor (individual financial statements of INWIT S.p.A. and limited audit of the condensed interim financial statements) for the period 2015-2023.

The process leading up to the awarding of this mandate (and any amendments thereto) is coordinated by the Company's Financial Reporting Officer, under the supervision of the Board of Statutory Auditors.

To protect the independence of the independent auditors, the guidelines on the awarding of contracts to auditing firms, adopted by the parent company TIM and by the Company, establishes the principle that the conferment of further contracts (where permitted by the reference laws) is limited to services and activities pertaining strictly to accounts auditing, and they must always be authorized in advance by the Board of Statutory Auditors.

As reported in the Report on Corporate Governance and Ownership Structure for 2018 (to which

reference is made), the statutory audit assignment conferred on PWC by the parent company TIM S.p.A., expires when the statutory deadline is reached, with the approval of the financial statements at December 31, 2018. As this contract cannot be legally renewed any further, TIM has called a Shareholders' Meeting for March 29, 2019 to authorize, among other things, the award of the auditing contract. In July 2018 it started the online procedure, in which auditing firms that had entered the previous tender were invited to participate.

The Board of Statutory Auditors of INWIT positively assessed the advantages that could be derived from having a single Group auditor and participated in the process of selecting a new auditor. It carried out independent assessments and activities in the interests of the Company and, in view of the Shareholders' Meeting of April 12, 2019, it made a specific recommendation on the choice of the auditor and issued a favorable opinion on the proposal for a consensual resolution of the current statutory audit engagement with PWC.

For more details, see the documents available at www.inwit.it, in the Governance/2019 Shareholders' Meeting section.

On March 29, 2019, TIM's Shareholders' Meeting approved the appointment of EY S.p.A. as the new statutory auditor for the nine-year period 2019-2027.

During the Shareholders' Meeting held on March 27, 2019, the shareholder TIM announced its intention to abstain from voting at the INWIT Shareholders' Meeting held on April 12, 2019, justifying this initiative in light of the inappropriateness of the change of the statutory auditor (with all the consequent operating costs) pending the integration plan with Vodafone Italia's towers (announced on February 21, 2019) and taking into account that as a result of this integration, INWIT will cease to be subject to the sole control of TIM, with the consequent loss of most of the operating synergies deriving from the presence of a single Group auditor.

In view of the abstention of the controlling shareholder TIM, the Shareholders' Meeting of April 12, 2019 did not approve the consensual resolution of the audit assignment in place with PricewaterhouseCoopers S.p.A. (and consequently did not award the new assignment).

11.5 Financial Reporting Officer

As per the Company Bylaws (Article 18) it is the Board of Directors that appoints the Financial Reporting Officer, after consulting the Board of Statutory Auditors and, based on a self-governance decision, the Control and Risks committee. The powers and responsibilities are defined at the time of appointment.

At the meeting on April 13, 2018 the Board of Directors appointed Rafael Perrino (who has held this role since May 8, 2015) as the Financial Reporting Officer of the Company. He is the head of the Finance & Administration Function.

Mr Perrino was reappointed as the company's Financial Reporting Officer partly following the changes to the company's organizational structure on July 31, 2018, because as the Head of the Administration, Control & Risk Management Function he will still be directly responsible for activities relating to preparation of the financial reports, the keeping of accounts and management control.

The Administration, Control & Risk Management Function reports to the Administration, Finance and Control & Business Support Function (formerly Business Support), as well as to the Finance & Investor Relations Functions. As the Financial Reporting Officer is legally responsible for putting in place adequate administration and accounting procedures for the drawing up of the annual and consolidated financial statements, and for all other financial communications, he/she has functional (organizational and subject-specific) responsibility for the internal controls on financial reporting. In this regard, the Financial Reporting Officer is supported by the Chief Executive Officer, as well as the Company's management.

The Financial Reporting Officer reports to the Board of Directors, to the Control and Risks Committee, and, where relevant, to the Board of Statutory Auditors.

11.6 Coordination between parties involved in the internal control and risk management system, and other company roles and departments

The principal people and bodies involved in the operation of the internal control system are:

1. the Board of Directors, whose role it is to guide and periodically (annually) assess the system;
2. the Chief Executive Officer, as the director responsible for establishing and maintaining the system, in keeping with the guidelines established by the plenum of the Board of Directors (see paragraph 11.1 above);
3. the Control and Risks Committee, whose role it is to provide preliminary support to the Board of Directors in relation to the Board's duties concerning internal control and risk management (see Chapter 9 above);
4. the Head of the Audit Function who is accountable to the Board of Directors, and whose mission is essentially to monitor the operation and adequacy of the internal control and risk management system (see paragraph 11.2 above);
5. the Financial Reporting Officer of the Company, elected by the Board, who has the legal duties and rights defined in the relevant internal regulations (see paragraph 11.5 above);
6. the Board of Statutory Auditors, which, taking the expression of the Corporate Governance Code published by Borsa Italiana, represents the top of the supervisory system. Together with the legal functions assigned to the Board of Statutory Auditors, the same Board also has the functions of the 231 Supervisory Body, for the purposes of corporate governance.

The powers of the above roles correspond to those laid down in the Corporate Governance Code published by Borsa Italiana, which INWIT has adopted unconditionally.

12. INTERESTS OF DIRECTORS AND RELATED PARTY TRANSACTIONS

The Company's procedure on related party transactions (the "Procedure") prepared in accordance with CONSOB Regulation no. 17221 of March 12, 2010, was adopted by the Board of Directors at the meeting on May 18, 2015, with the approval of the independent directors and effective from the

date of commencement of trading in INWIT's shares on the Electronic Stock Exchange organized and managed by Borsa Italiana S.p.A. (i.e. June 22, 2015). Subsequently, the Procedure - after having been subject to limited operational changes on July 25, 2017 - was significantly updated by Board decision of December 11, 2018, following a thorough investigation carried out by the Control and Risk Committee. The Procedure thus updated became effective as from January 1, 2019.

On April 16, 2019, an operating procedure was issued which, in application of the provisions of the Procedure, details the requirements related to the process of managing related party transactions. Below are the main elements of the Procedure. For details please refer to the document published on the website www.inwit.it in the Governance section.

Opinions on more or less significant related party transactions are given by the Related Parties Committee, which coincides with the Control and Risks Committee.

In particular, the Procedure qualifies related party transactions as being "more significant" when at least one of the indicators as defined in the Consob Regulation (an indicator of value, significance of assets or liabilities) is above the 5% threshold"; in the case of transactions with the parent company Tim or with parties related to Tim that are in turn related to INWIT, such transactions are considered as such when one of the said indices is above the threshold of 2.5%.

In the event of a negative opinion of the Related Parties Committee on the execution of a more significant transaction, the Board of Directors, if it does not wish to comply with this opinion, may make the execution of the transaction subject to the authorization of the Ordinary Shareholders' Meeting. The transaction may not be executed if the majority of the voting shareholders, other than any related shareholders, vote against the transaction, provided that the shareholders other than the related shareholders present at the meeting represent at least 10% of the share capital with voting rights.

During 2019, the Related Parties Committee examined and expressed its opinion on the More Significant Transaction briefly described in paragraph 10 of this Report.

The Procedure classifies transactions into separate categories, on the basis of which it applies various validation and approval criteria. To this end, the Procedure makes a qualitative breakdown between ordinary and non-ordinary transactions and also sets out qualitative-quantitative criteria, further distinguishing between "less significant", "non-significant" and "excluded" transactions.

According to the Procedure, "ordinary transactions" are those "which fall within the ordinary course of business, generating costs and revenues, and the related financial activity. In assessing whether a Transaction falls within the ordinary course of business or the related financial activity, the following elements may be taken into consideration: the subject of the Transaction; the recurrence of the Transaction in the context of the activity of the company carrying it out; the size of the Transaction; the contractual terms and conditions applied, as contractual clauses which differ from custom and negotiation practices may represent a significant index of non-ordinary character; the nature of the counterparty and the consistency of its characteristics with the type of transaction carried out; the time of approval and completion of the Transaction".

The following are considered "Excluded Transactions" (since they are excluded from the application

of the Procedure): “Transactions of a Negligible Amount” (*i.e.* whose value is equal to or less than €50,000); “Intragroup Transactions” (*i.e.* with own subsidiaries, including jointly controlled companies, or associates, or between subsidiaries or associates of INWIT provided that there are no significant interests of other related parties of Inwit in the subsidiaries or associates that are counterparties to the transaction); resolutions of the Shareholders’ Meeting on remuneration, as per Articles 2389, first and third paragraphs, and 2402 of the Italian Civil Code; resolutions on the compensation of Directors, Statutory Auditors and strategic managers, which comply with the requirements of the Consob Regulation; compensation plans based on financial instruments approved by the Shareholders’ Meeting pursuant to Article 114-bis of the Consolidated Law on Finance and related executive transactions; any further transactions that the Consob Regulations exclude from their scope of application.

Classified as “Non-Significant Transactions” and excluded from the application of the Consob Regulation are those ordinary transactions whose value ranges between €50,001 and €1,500,000, provided they are concluded at conditions equivalent to market or standard conditions and ordinary transactions whose value ranges between €50,001 and €250,000 not concluded at market conditions. During 2019, no transactions of this type were reported in the Non-Significant Transactions Procedure.

All Transactions other than More Significant, Non-Significant and Excluded Transactions are classified by the Procedure as “Less Significant Transactions”. Without prejudice to the fulfillment of obligations regarding inside information, the Procedure provides, in partial derogation from the Consob Regulation, that “the disclosure of any Less Significant Transactions approved and/or concluded despite the negative opinion of the Related Parties Committee shall normally be made within 15 days of their approval and/or conclusion, and in any case at the latest within 15 days of the end of the reference quarter”.

Since July 2019, the process relating to related party transactions has been supported by the operation of an IT application, through which each Function head must report any transaction with a related party he or she intends to carry out, regardless of its value.

For the sake of completeness, please note that the aforementioned Procedure was updated by the Board of Directors on March 5, 2020. The updated version of the Procedure is published on the following website www.inwit.it.

13. APPOINTMENT OF STATUTORY AUDITORS

In accordance with Article 22 of the Company Bylaws, the Board of Statutory Auditors consists of three standing auditors of whom at least one is a member of the less represented gender. The Shareholders’ Meeting also appoints two alternate auditors, one of each gender.

The Board of Statutory Auditors is elected in accordance with the applicable provisions of law and regulations based on the lists presented by shareholders.

The lists 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.

Lists containing three or more candidates in either or both sections must ensure the inclusion of both genders, and candidates of the less represented gender must be at least one-third of the total, with rounding up to the next whole unit if the number is not a whole number.

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

The Board of Statutory Auditors is elected as follows:

1) The list obtaining the highest number of votes at the Shareholders' Meeting (the Majority List) will produce 2 (two) standing members and 1 (one) alternate member, in the order in which they were listed;

2) The second list obtaining the majority shareholder votes at the Shareholders' Meeting and which is not connected, within the meaning of laws and regulations, with the Majority List (the Minority List) will produce the other standing member and the other alternate member, in the order in which they were listed.

If the composition of the resulting body or the category of alternate auditors does not allow a gender balance, taking into account the order of listing in the respective section, the most recently elected person from the majority list of the more represented gender will lose their position, up to the number needed to ensure that the gender balance requirement is met and they will be replaced by the first non-elected candidates from the same list and in the same section of the less represented gender. In the absence of candidates of the less represented gender in the relevant section of the Majority List in sufficient number to proceed with the replacement, the Shareholders' Meeting shall appoint the missing Standing Auditor or Alternate Auditor with the majorities required by law, ensuring compliance with the requirement.

The standing member taken from the minority list will be elected as Chair of the Board of Statutory Auditors.

For the appointment of statutory auditors who for any reason are not appointed in accordance with the procedure, the Shareholders' Meeting will pass a resolution with the legal majorities, to ensure compliance with the legal requirements and the Company Bylaws regarding the composition of the Board, and the category of alternate auditors.

If an Auditor drawn respectively from the Majority List or the Minority List ceases to be a Statutory Auditor, the Alternate Auditor drawn from the Majority List or the Minority List shall take over, subject to compliance with the statutory requirements regarding the composition of the corporate body. The appointment of Statutory Auditors to complement the Board of Statutory Auditors pursuant to Article 2401 of the Italian Civil Code is decided by the Shareholders' Meeting by an absolute majority of the voters and in any case in compliance with the principle of the necessary representation of minorities, as well as with the statutory requirements regarding gender balance. The principle of the necessary representation of minorities is deemed to have been respected in the case of the appointment of an Alternate Auditor drawn from the Minority List who has taken over from a Standing Auditor drawn from the same list.

After notifying the Chair of the Board of Directors, the Board of Statutory Auditors may convene, in accordance with the law, the Shareholders' Meeting and the Board of Directors or the Executive Committee. This power to call a meeting may be exercised individually by each statutory auditor, apart from the power to convene a Shareholders' Meeting which can be exercised by a minimum of two auditors.

Regarding the amendments to the Company Bylaws, please refer to paragraph 4.

14. COMPOSITION AND FUNCTIONING OF THE BOARD OF STATUTORY AUDITORS

The current Board of Statutory Auditors was appointed by the Shareholders' Meeting of April 13, 2018, for the three-year period 2018-2020; on the basis of the lists submitted by the shareholders, the following were appointed in accordance with the Company Bylaws:

- From the list presented by Telecom Italia S.p.A., which was first in terms of number of votes, with 71.75%, the standing auditors Umberto La Commara and Michela Zeme and the alternate auditor Elisa Menicucci;
- the standing auditor Stefano Sarubbi and the alternate auditor Roberto Cassader from the other list presented by a group of asset management firms and international investors (the minority list).

As per the Company Bylaws, Mr Stefano Sarubbi, taken from the minority list, was also elected as Chair of the Board of Statutory Auditors.

The Shareholders' Meeting of April 13, 2018 also authorized the annual remuneration at €50,000 for each standing auditor and €70,000 for the Chair of the Board of Statutory Auditors, including the emolument for the functions of Supervisory Body, referred to in Legislative Decree number 231/2001. The Board of Statutory Auditors was reappointed by the Board of Directors for the functions of the Supervisory Body, pursuant to Legislative Decree No. 231/2001, until the expiration of the term of office of the Board of Directors (i.e., until the Shareholders' Meeting convened to approve the financial statements as at December 31, 2020).

The CVs of the members of the supervisory body are available at www.inwit.it.

In 2019 the Board of Statutory Auditors performed the supervisory activities provided for in national law, checking that the Company's most significant financial and capital operations complied with the law, the Company Bylaws and the principles of sound administration, checking compliance with the corporate governance principles and procedures adopted for related party transactions and checking their compliance with the Company's interests, overseeing compliance with the principles of sound administration and adequacy of the Company's organizational structure. The Board of Statutory Auditors also supervised the adequacy of the internal control system as well as the adequacy of the administrative and accounting system and the reliability of the latter to correctly represent operating events.

The Board of Statutory Auditors monitored the independence of the auditing firm, checking that it complied with the applicable regulations, and also checking the nature and scope of the non-auditing services provided to INWIT by PricewaterhouseCoopers S.p.A. and the other entities in its network.

The Board of Statutory Auditors with its counterpart from TIM has followed the selection process for the new Single Group Auditor for 2019-2027, together with the other supervisory bodies involved (see paragraph 11.4 above).

At the meeting held on March 2, 2020, the Board of Statutory Auditors verified that its members continued to meet the independence requirements, pursuant to Article 148, paragraph 3, of the Consolidated Law on Finance and those prescribed by the Corporate Governance Code published by Borsa Italiana, also verifying, pursuant to Legislative Decree no. 39/2010, that they, as a whole, possess the expertise in the sector in which the Company operates. The Board of Statutory Auditors carried out the self-assessment process, in a more complete and structured manner than in the previous year, with the support of the consulting firm Egon Zehnder. The Board of Statutory Auditors reported to the Board of Directors at the meeting held on March 5, 2020 on the results of the self-assessment process, which is particularly positive in terms of its qualitative-quantitative profile and effective functioning, thanks to clear operational balances and harmony of the methods of dialog used among its members. The final results of the self-assessment also highlighted the need to continue efforts to improve the balance in the exercise of the functions assigned to both Boards and to the Board committee functions and the opportunity to reflect on a complete overlap between the Board of Statutory Auditors and the Supervisory Body.

In 2019 the Board of Statutory Auditors met 28 times (13 of which were held wholly or partially in conjunction with the Control and Risks Committee). The average duration of the meetings was approximately two hours and twenty minutes. The percentage of attendance was 100%.

The Board of Statutory Auditors held 5 specific meetings in 2019 in its capacity as Supervisory Body; the average duration of these meetings was about one hour and fifty minutes. For the 2020 financial year, at the date of approval of this Report, 3 meetings of the Board of Statutory Auditors were held, in addition to a further 4 meetings held jointly with the Control and Risk Committee and one meeting as the Supervisory Body.

Table 3 provides information on the current composition of the Board of Statutory Auditors.

For detailed information about the work done by the Board of Statutory Auditors, see the report of the Board of Statutory Auditors given to the Shareholders' Meeting in accordance with Article 153 of the TUF.

Diversity policies

In the part of the Company Bylaws relating to the appointment of the Board of Statutory Auditors, the provisions of the law that provided for the obligation to reserve a predetermined number of members for the less represented gender are taken into account. In the awareness that the inclusion of members from different professional backgrounds with different managerial experiences and different genders is an opportunity and a value, the Company Bylaws, which was adopted ahead of its listing, provided that reserving a predetermined quota of members of the Board of Directors and of the Board of Statutory Auditors to the less represented gender should be permanent instead of just for three terms of office as required by law.

The Company Bylaws amended by the Board of Directors on February 6, 2020 in this regard refer to the regulations in force at the time; regarding the amendments to the Company Bylaws, please refer to paragraph 4.

For a description of the procedure for submitting lists that ensure the presence of the less represented gender in line with the set proportion, refer to Article 22 of the Company Bylaws.

The Company has not adopted further diversity policies relating to the age and career/educational path of the Statutory Auditors.

15. SHAREHOLDER RELATIONS

Within INWIT S.p.A., reporting to the Chief Financial Officer, a person responsible for managing relations with the financial community and all shareholders (Investor Relations Manager) is identified in the person of Emanuela Martinelli. The Investor Relations Function develops and manages relations with investors and equity analysts. In 2019, the financial communication program included numerous events in various countries: conference calls on results, Roadshows abroad, meetings at INWIT offices and participation in industry conferences with INWIT investors and potential investors. Over 500 meetings were held during 2019, including direct contacts, via audio or videoconferencing, with the aim of expanding the investor base in the major international financial centers.

INWIT has also set up a specific section on its website, which is easily accessible, and provides information about the Company that may be of significance to shareholders so that they can exercise their rights in an informed manner.

Contact details for INWIT investors are:

INWIT S.p.A. – *Investor Relations*

Via Gaetano Negri, 1

20123 – MILAN

Telephone no.: +39 06.44084330

E-mail: ir@inwit.it

16. SHAREHOLDERS' MEETINGS

By law, the shareholders entitled to attend the Shareholders' Meeting and to vote are those for whom the reference intermediary has sent the Company specific communication certifying that right at the record date (seventh working day prior to the meeting first call). Anyone who holds the shares only after that date will not have the right to attend and vote at the Shareholders' Meeting.

Ordinary shareholders can be represented by issuing a proxy to an individual or legal entity who may also be the representative designated by the Company, if appointed (this decision is the responsibility of the Board of Directors' meeting). The Board of Directors may also allow electronic voting, specifying the procedures in the notice of call.

The Board of Directors will ensure that shareholders are given adequate information to ensure that meeting resolutions are passed with due knowledge.

The ordinary Shareholders' Meeting resolves on the matters reserved by law, and will authorize operations with related parties in those cases and in the ways provided for in the specific procedure adopted by the Board of Directors in accordance with the current regulations.

In accordance with Article 2365, second paragraph, of the Italian Civil Code, the Company Bylaws also provide that the powers contained therein are removed from the remit of the meeting and are attributed to the Board of Directors.

The Shareholders' Meetings of March 27, April 12 and December 19, 2019 were attended by 3, 2 and 7 Directors respectively, out of a total of 11 in office.

The Shareholders' Meeting on February 27, 2015 authorized the adoption of regulations for the orderly functioning of meetings of shareholders. This can be found at www.inwit.it in the Governance section.

17. FURTHER CORPORATE GOVERNANCE PRACTICES

INWIT has prepared, on a voluntary basis, for the second year, the Non-Financial Declaration ("DNF" from its Italian initials), pursuant to Legislative Decree no. 254 of December 30, 2016, although it does not fall within the parameters of application of the aforesaid legislation. The document is available on the Company's website at the following address www.inwit.it in the Governance section. The Company's current auditors, PricewaterhouseCoopers S.p.A., provide limited assurance on the NSR, in line with the provisions of the legislative decree, and prevailing practice.

18. CHANGES SINCE THE END OF THE REFERENCE YEAR

The Board of Directors' meeting of February 6, 2020 convened the Shareholders' Meeting on March 20, 2020 to approve the appointment of the new Board of Directors of INWIT, which will take office on the effective date of the merger with Vodafone Towers.

19. CONSIDERATIONS ON THE LETTER OF DECEMBER 19, 2019 FROM THE CHAIR OF THE CORPORATE GOVERNANCE COMMITTEE

The letter from the Chair of the Corporate Governance Committee was provided to the Control and Risks Committee (which, in INWIT, is also responsible for monitoring governance best practices) and the Board of Statutory Auditors at the joint meeting on February 3, 2020, which examined the structure of this report in view of the format published by the Italian stock exchange in January 2019. The letter was also sent to the members of the Nomination and Compensation Committee.

With particular reference to the areas in which Issuers are requested to adhere more closely to the recommendations in the Corporate Governance Code published by Borsa Italiana, we note that:

- Inwit has adopted a three-year Sustainability Plan, contributing to the generation of sustainable

value in the medium to long term for all stakeholders. The Sustainability Plan, aligned with the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda, is divided into measurable objectives, actions and targets, and will be progressively implemented during the year and beyond.

The objectives of the three-year plan include:

- inclusion of the Sustainability Plan targets in the assessment system, ensuring that all employees participate in training and skills development initiatives, with initiatives aimed at promoting employee wellbeing, work-life balance and health and safety;
- contribution to the modernization of the country's infrastructure and the adoption of strategic, sustainable and resilient enabling technologies through a technologically advanced and quality infrastructure: DAS, Small Cell, fiber and sensor technology with a view to reducing environmental impacts, ensuring the reliability and resilience of its infrastructure;
- improving the energy efficiency of sites and equipment, initially with pilot projects, by activating mechanisms to offset direct greenhouse gas emissions, ensuring proper management of the waste produced;
- purchase of products and services with low environmental impact, verifying product certifications, using a supply of electricity (industrial, civil) obtained from certified renewable sources.

In the 2019 short-term managerial incentive scheme (MBO), the CEO and the entire front line had already been assigned the objective of defining the Sustainability Plan containing the policy, actions, and sustainability objectives over a three-year horizon. The sustainability objective was confirmed in the 2020 MBO, declined in different KPIs for the Managing Director and the entire front line.

- As already declared in the report published last year, the Company considers the level of transparency of its governance procedures to be adequate, including with reference to the issue of pre-meeting information, which as stated was also a focus point during the Board's self-assessment (See para. 4.3 of the Report);

- In assessing the independence requirements of its members, the Company has not deviated from the application of the criteria identified in the Corporate Governance Code, taking care to acquire from those concerned a suitable information framework to allow the Board of Statutory Auditors to make a considered, reasoned and timely assessment, which will be disclosed in the Report. The Board of Statutory Auditors has also carefully monitored the correct application of the independence criteria by the Board of Directors (see point 4.6 of the Report). It will continue to maintain a high level of attention on the matter, including through appropriate awareness-raising among the members of the corporate bodies.

- In defining the remuneration of the non-executive directors currently in office and the control body, the Company has taken into account the analyses and studies developed by Assonime (Notes and Studies 2/2018), Spencer Stuart (Italy Board Index 2017), Mercer (Remuneration of the Board of Directors 2017) and Korn Ferry Hay Group (Top Executive Compensation in Europe 2017).

TABLE 1: INFORMATION ON SHARE OWNERSHIP

| SHARE CAPITAL STRUCTURE | | | | |
|--|----------------|--------------------|--------------------------------------|--|
| | No. shares | % of share capital | Listed (indicate markets) / unlisted | Rights and obligations |
| Ordinary shares | 600,000,000 | 100.00 | Listed on Borsa Italiana S.p.A. | Right to vote at ordinary and extraordinary shareholders' meetings |
| Shares with limited voting rights | Not applicable | = | = | = |
| Savings shares | Not applicable | = | = | = |

| OTHER FINANCIAL INSTRUMENTS <i>(ATTRIBUTING THE RIGHT TO SUBSCRIBE NEWLY ISSUED SHARES)</i> | | | | |
|---|--------------------------------------|-----------------------------|--|--|
| | Listed (indicate markets) / unlisted | Total shares in circulation | Category of shares available for conversion/subscription | Number of shares servicing the conversion/year |
| Convertible bonds | Not applicable | = | = | = |
| Warrants | Not applicable | = | = | = |

| MAJOR HOLDINGS IN SHARE CAPITAL | | | | |
|--|----------------------|----------------------------------|-------------------------|---------------------|
| Declarant or party at the head of the shareholding chain | Indirect shareholder | Direct shareholder | Percentage of ownership | % of voting capital |
| Telecom Italia S.p.A. | | Telecom Italia S.p.A. (*) | 60.03% | 60.03% |
| | | | | |

(*) Type of possession: ownership

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES

| Board of Directors | | | | | | | | | | | | Control and Risk Committee | | Nomination and Remuneration Committee | | Strategic Committee | | |
|--|-------------------------|---------------|--------------------------|----------------|---------------|---------------|-------|-----------|----------------|---------------|-------------------------------|--|-------|---------------------------------------|-----|---------------------|-----|------|
| Position | Members | Year of birth | Date of first election * | In office from | Serving until | List ** | Exec. | Non Exec. | Independ. Code | Independ. TUF | Number of other positions *** | (*) | (*) | (**) | (*) | (**) | (*) | (**) |
| Chair | PELUSO Piergiorgio | 1968 | 05/15/2015 | 05/15/2019 | 12/31/2020 | See para. 4.2 | | X | | | - | 6/6 | | | | | 0/0 | C |
| CEO ◊ • | FERIGO Giovanni | 1959 | 04/13/2018 | 04/13/2018 | 12/31/2020 | M | X | | | | - | 10/10 | | | | | 1/1 | M |
| Director | BALZANI Francesca | 1966 | 04/13/2018 | 04/13/2018 | 12/31/2020 | M | | | X | X | 2 | 9/10 | 27/28 | M | | | | |
| Director ◦ | BIGNAMI Enrico Maria | 1957 | 04/13/2018 | 04/13/2018 | 12/31/2020 | See para. 4.2 | | | X | X | 1 | 9/10 | | | 9/9 | M | 1/1 | M |
| Director | BONINO Gigliola | 1966 | 04/13/2018 | 04/13/2018 | 12/31/2020 | M | | X | | | - | 6/10 | | | | | | |
| Director | CAVATORTA Laura | 1964 | 04/13/2018 | 04/13/2018 | 12/31/2020 | M | | | X | X | 1 | 10/10 | | | 9/9 | M | | |
| Director | GUARNA Luca Aurelio | 1972 | 04/20/2017 | 04/20/2017 | 12/31/2020 | M | | | X | X | 1 | 10/10 | 27/28 | C | | | | |
| Director | NARDELLO Carlo | 1964 | 05/15/2019 | 05/15/2019 | 12/31/2020 | See para. 4.2 | | X | | | | 5/6 | | | | | 0/0 | M |
| Director | NUZZOLO Agostino | 1968 | 04/20/2017 | 04/20/2017 | 12/31/2020 | M | | X | | | 1 | 8/10 | | | | | | |
| Director | PASSEGGIO Filomena | 1952 | 04/20/2017 | 04/20/2017 | 12/31/2020 | M | | | X | X | 2 | 10/10 | | | 9/9 | C | | |
| Director | RAVERA Secondina Giulia | 1966 | 04/13/2018 | 04/13/2018 | 12/31/2020 | M | | | X | X | 2 | 10/10 | 28/28 | M | | | 1/1 | M |
| Number of meetings held during the reference year: BoD 10 CRC 28 CNR 9 CS 15 (more than 13 joint CRCs) | | | | | | | | | | | | Quorum required to submit lists by the minorities for the election of one or more members (for the purposes of Article 147-ter of the TUF): 1.0% | | | | | | |

NOTES

The following symbols must be included in the "Position" column:

- This symbol indicates the director responsible for the internal control and risk management system.
- ◊ This symbol indicates the person with principal responsibility for management of the Issuer (*Chief Executive Officer* or CEO).
- This symbol indicates the *Lead Independent Director* (LID).
- * The date of first election of the director, is the date on which the director was elected for the first time (in absolute terms) to the Issuer's Board of Directors.
- ** This column indicates the list from which each director was taken ("M": majority list; "m": minority list; "BoD": list submitted by the BoD).
- *** This column indicates the number of offices as director or statutory auditor held by the person concerned in other companies listed in regulated markets, including foreign markets, in finance, banking, insurance companies or in companies of substantial dimensions. In the Corporate Governance Report, the positions are indicated in full.
- (*) This column indicates the attendance of directors at meetings of the Board of Directors and of the committees (indicate the number of meetings attended compared to the total number of meetings they could have attended; e.g. 6/8; 8/8 etc.).
- (**) This column indicates the position of director on the Committee: "P": Chair; "M": Member

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES

NUMBER OF OUTGOING DIRECTORS DURING THE REFERENCE YEAR

| Board of Directors | | | | | | | | | | | | | Control and Risk Committee | | Nomination and Remuneration Committee | | Strategic Committee | |
|--------------------|------------------|---------------|------------|----------------|---------------|---------|-------|-----------|----------------|---------------|----------------------------|-----|----------------------------|------|---------------------------------------|------|---------------------|------|
| Position | Members | Year of birth | (*) | In office from | Serving until | List ** | Exec. | Non-exec. | Independ. Code | Independ. TUF | No. of other positions *** | (*) | (*) | (**) | (*) | (**) | (*) | (**) |
| Chair | SIRAGUSA Stefano | 1976 | 04/13/2018 | 04/13/2018 | 05/15/2019 | M | X | | | | - | 4/4 | | | | | 1/1 | C |
| Director | DI MAURO Mario | 1971 | 04/13/2018 | 04/13/2018 | 05/15/2019 | M | | X | | | - | 3/4 | | | | | 1/1 | M |

- NOTES**
 The following symbols must be included in the "Position" column:
- This symbol indicates the director responsible for the internal control and risk management system.
 - ◊ This symbol indicates the person with principal responsibility for management of the Issuer (Chief Executive Officer or CEO).
 - This symbol indicates the Lead Independent Director (LID).
 - * The date of first election of the director, is the date on which the director was elected for the first time (in absolute terms) to the Issuer's Board of Directors.
 - ** This column indicates the list from which each director was taken ("M": majority list; "m": minority list; "BoD": list submitted by the BoD). The list voting system did not apply to the appointment of the Board of Directors in office, which took place before the Company's shares were admitted to listing.
 - *** This column indicates the number of offices as director or statutory auditor held by the person concerned in other companies listed in regulated markets, including foreign markets, in finance, banking, insurance companies or in companies of substantial dimensions. In the Corporate Governance Report, the positions are indicated in full.
 - (*) This column indicates the attendance of directors at meetings of the Board of Directors and of the committees (indicate the number of meetings attended compared to the total number of meetings they could have attended; e.g. 6/8; 8/8 etc.).
 - (**) This column indicates the position of director on the Committee: "P": Chair; "M": Member

Below are the **positions held by directors currently in office**, in companies listed on the FTSE/MIB, or in companies mainly operating in the financial sector towards the public (listed on the register is referred to in Articles 106 and 107 of Legislative Decree 385 of September 1, 1993) or in companies performing banking and insurance activities, relevant for the purposes of Chapter 3 (“Composition of Board of Directors”, paragraph 3.2 of the Corporate Governance Principles of INWIT.

| | |
|--------------------------------|---|
| Piergiorgio Peluso | // |
| Giovanni Ferigo | // |
| Francesca Balzani | Independent Director Banca Cesare Ponti S.p.A. Independent Director Salini Impregilo S.p.A. |
| Enrico Maria Bignami | Standing auditor of ENI S.p.A. |
| Gigliola Bonino | // |
| Laura Cavatorta | Independent Director SNAM S.p.A. |
| Carlo Nardello | // |
| Luca Aurelio Guarna | Chair of the Board of Statutory Auditors of Prelios Credit Servicing S.p.A. |
| Agostino Nuzzolo | Director of TIM Participacoes S.A. |
| Filomena Passeggio | Chair of the Board of Directors of Terna Rete Italia S.p.A. Independent director of Caltagirone S.p.A. |
| Secondina Giulia Ravera | Independent director of A2A S.p.A. Independent director of Reply S.p.A. |

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**Board of Statutory Auditors**

| Position | Members | Year of birth | Date of first election * | Serving since | Serving until | List ** | Independence as per Code | Attendances at Board meetings *** | No. of other positions**** |
|-------------------|--------------------|---------------|--------------------------|---------------|---------------|---------|--------------------------|-----------------------------------|----------------------------|
| Chair | SARUBBI Stefano | 1965 | 04/13/2018 | 04/13/2018 | 12/31/2020 | M | X | 28/28 | 11 |
| Standing auditor | LA COMMARA Umberto | 1967 | 01/14/2015 | 01/14/2015 | 12/31/2020 | M | X | 28/28 | 10 |
| Standing auditor | Vitale Michele | 1969 | 01/14/2015 | 01/14/2015 | 12/31/2020 | M | X | 28/28 | 8 |
| Alternate Auditor | MENICUCCI Elisa | 1980 | 01/14/2015 | 01/14/2015 | 12/31/2020 | M | X | = | = |
| Alternate Auditor | CASSADER Roberto | 1965 | 04/13/2018 | 04/13/2018 | 12/31/2020 | M | X | = | = |

NUMBER OF OUTGOING STATUTORY AUDITORS DURING 2019

There were no outgoing statutory auditors during the 2019 financial year

Number of meetings held during the reference year²⁸
Quorum required for submission of lists at time of last election: 1%

NOTES

* The date of first election of the statutory auditor, is the date on which the auditor was elected for the first time (in absolute terms) to the Issuer's Board of Statutory Auditors.

** This column indicates the list from which each statutory auditor was chosen ("M": majority list; "m": minority list). The vote list system did not apply to the election of the current Board of Statutory Auditors as this took place at the time of its formation.

*** This column indicates the attendance of statutory auditors at meetings of the Board of Statutory Auditors (indicate the number of meetings attended compared to the total number of meetings they could have attended).

**** This column indicates the number of directorships or statutory auditorships held by the person concerned relevant for the purposes of Article 148-*bis* of the TUF and the relevant enacting provisions of the Consob Regulation on Issuers. The complete list of positions is published by Consob on its website pursuant to Article 144-*quinquiesdecies* of the Consob Regulation on Issuers