



INWIT

Infrastrutture Wireless Italiane S.p.A.

2020 REPORT ON CORPORATE GOVERNANCE AND SHARE OWNERSHIP

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GLOSSARY

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

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

Issuer or Company: Infrastrutture Wireless Italiane S.p.A., also referred to as Inwit S.p.A.

Corporate Governance Principles: the document setting out the rules on corporate governance established by the Board of Directors of the Issuer, to supplement and complement the provisions of the Borsa Code to which the Company adheres.

Consob Issuers' Regulation: the Regulations issued by Consob with resolution no. 11971 of 14 May 1999 (as subsequently amended) on the subject of issuers.

Consob Related Party Regulations: the Regulations issued by Consob with resolution no. 17221 of 12 March 2010 (as subsequently amended) on the subject of transactions with related parties.

Report: the report on corporate governance and share ownership drawn up by the Issuer pursuant to art. 123-*bis* CLF.

Consolidated Law on Finance/CLF: legislative decree no. 58 of 24 February 1998 (as subsequently amended)

1. INTRODUCTION

The Inwit corporate governance system is organised according to the traditional model, as set out in article 2380 and subsequent articles of the Italian Civil Code.

The organisation of the Company is characterised by the presence of:

- a Board of Directors charged with making provision for the management of the company;
- a Board of Statutory auditors called on to (i) monitor compliance with the law and the company by-laws, and respect for the principles of correct administration in the execution of the company's activities, (ii) to monitor the adequacy of the organisational structure and administrative-accounting system of the Company, and of the reliability of the latter to correctly represent operations, (iii) to monitor the financial reporting process, the independent audit of the annual accounts and consolidated accounts, and of the independence of the external auditor, (iv) to monitor the overall adequacy of the risk management and control system, (v) to check the arrangements for the concrete implementation of the corporate governance rules set out in the Corporate Governance Code, and, finally, (iv) to monitor the adequacy of the instructions imparted by the Company to its subsidiaries, extraordinary transactions of the company, and other important events, including transactions with related parties and affiliated subjects;
- the Shareholders' Meeting, competent to resolve, inter alia – in ordinary and extraordinary session – on (i) the appointment and removal of the members of the board of directors and the board of statutory auditors, and on their remuneration and responsibilities, (ii) the approval of the financial statements and the allocation of the profits, (iii) the purchase and sale of treasury shares, (iv) the share ownership plans, (v) amendments to the Company by-laws (other than those that represent mere adaptation to regulatory provisions), (vi) the issue of convertible bonds.

Any non-alignment or partial alignment with specific provisions of the Corporate Governance Code (July 2018 version) to which Inwit adheres, is justified in the section of the Report which deals with the governance practice otherwise applied by the Company.

In view of the new ownership structure and the end of management and control by TIM S.p.A., the Board of Directors on 23 April 2020 reviewed the main corporate documents adopted by the Company, in addition to approving the Regulations of the newly established Board Committees and the Regulations of the Board of Directors.

The Company has started the alignment necessary to adapt its governance documents to the national legislation transposing Directive EU 2017/828 (Shareholders Rights II) and the new Corporate Governance Code, adopted by the Corporate Governance Committee of Borsa Italiana in January 2020, which the Company formally adhered to with a resolution passed by the Board of Directors on 4 February 2021.

The information contained in this Report refers to the 2020 financial year and, with regard to specific issues, is updated to the date of the Board of Directors meeting that approved it (4 March 2021); for details on pay

issues see the Report on the policy regarding remuneration and fees paid (hereinafter the “Report on Remuneration”).

INWIT does not fall within the definition of SMEs pursuant to art.1, paragraph 1, letter w-quater of the CLF and art.2-ter of the Consob Issuers' Regulation.

2. INFORMATION ON SHARE OWNERSHIP

(pursuant to Article 123-bis, subsection 1, CLF)

as at 31 December 2020

a) Share capital structure

The subscribed and fully paid-up share capital is equal to **600,000,000.00** euros, divided into no. 960.200.000 shares with no par value (see Table 1).

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

b) Restrictions on transfer of securities

There is no restriction on transfer of securities issued by the Company.

c) Major shareholdings

Significant direct and indirect holdings in the ordinary share capital of Inwit on the date of publication of this Report, are shown in Table 1 – Information on share ownership.

d) Securities that confer special rights

No securities that confer special rights of control over Inwit have been issued.

e) Employee shareholdings: mechanism for exercising voting rights

There are no specific procedures or limits to the exercise of voting rights for shares arising from employee share plans.

f) Restrictions on voting rights

There are no restrictions on voting rights of shares constituting the ordinary share capital of Inwit.

g) Shareholders' Agreements

SHAREHOLDERS' AGREEMENT BETWEEN TIM, VOD EU, DAPHNE 3 AND CTHC

On 25 March 2020 TIM S.p.A. (**TIM**) and Vodafone Europe B.V. (**VOD EU**) signed a shareholders' agreement (**Shareholders' Agreement**), in the form already essentially agreed by the parties and annexed to the Framework Agreement (signed on 26 July 2019 between TIM, VOD EU, Vodafone Italia S.p.A. (**VOD ITA**) and Inwit, which governs the terms and conditions of a unitary and inseparable transaction to consolidate the ownership of the passive network infrastructure of VOD ITA in Inwit. The Shareholders' Agreement became effective on 31 March 2020 and will remain valid and effective until the first of the following dates: (i) the third anniversary after its signing; (ii) the date on which one of the parties subscribing to the Shareholders' Agreement ceases to hold shares in Inwit.

On 22 April 2020 and 24 April 2020 TIM and VOD EU signed two agreements in order to waive the Lock-Up commitment (as defined herein) and the Standstill commitment (as defined herein) contained in the Shareholders' Agreement. In particular, with the second waiver agreement the parties agreed, *inter alia*, (i)

to the signing, between TIM and Impulse I S.à r.l. (**Impulse**) controlled by entities managed by Ardian France S.A. (**ARDIAN**) - of an investment agreement (**Investment Agreement**) which governed, *inter alia*, the terms and conditions of a transaction as a result of which Impulse acquired a 49% stake in a newly established vehicle, Daphne 3 S.p.A., controlled by TIM (**Daphne 3**); (ii) the transfer, from TIM to Daphne 3, in part through transfer in kind and in part through a sale and purchase transaction, of a total number of 289,980,000 Inwit shares, representing 30.2% of the relative share capital; (iii) the signing between TIM and Lighthouse Co-investment S.à r.l., a special purpose vehicle, set up by Canson Capital Partners (Guernsey) Limited, as the portfolio manager of the investment fund Canson Capital Partners Co-Investment, SCSp (**Canson**), of (a) a sale and purchase agreement for the sale by TIM to Canson of a 1.2% stake in the share capital of Inwit which was completed on 2 October 2020 (**Canson Transaction**), and (b) a purchase option contract governing, *inter alia*, the terms and conditions of an option for Canson to purchase from TIM an additional stake of up to 1.8% of the relative share capital (**Additional Canson Transaction**).

On 27 July 2020, TIM established Daphne 3, assigning it, at the time of incorporation, 147,890,004 ordinary shares of Inwit representing 15.402% of the relative share capital.

On 3 August 2020, TIM, VOD EU and Daphne 3 signed the agreement by which the latter subscribed to the provisions of the Shareholders' Agreement (**Daphne Accession Agreement**).

On 2 October 2020, by means of a purchase and sale transaction, TIM transferred to Daphne 3 a total of 142,090,396 Inwit shares, corresponding to 14.798% of the relative share capital.

On 19 November 2020, VOD EU signed a deed assigning Central Tower Holding Company B.V. (**CTHC**) (Dutch company indirectly controlled by Vodafone Group Plc.) 318,533,335 ordinary shares of Inwit representing 33.173% and the relative transfer was completed on 20 November 2020. On 19 November 2020, TIM, VOD EU, Daphne 3 and CTHC signed the agreement by which the latter subscribed to the provisions of the Shareholders' Agreement (**CTHC Accession Agreement**).

On 4 December 2020, the stake of 1.774% of the capital of Inwit was transferred by TIM to Canson and therefore the Additional Canson Transaction was completed on this date.

Following the Additional Canson Transaction, the number of voting rights referring to the shares that were assigned as a whole in the Shareholders' Agreement came to 608,513,735, corresponding to a total of 63.373% of the Company's share capital.

The Shareholders' Agreement governs, *inter alia*: (i) the composition of the Board of Directors with particular regard to the identification of the Chairman and the Chief Executive Officer; (ii) the equally balanced representation on the board committees of directors appointed by TIM/Daphne 3 and the directors appointed by the shareholders Vodafone; (iii) the composition of the Board of Statutory Auditors; (iv) some aspects concerning the organisational structure of Inwit (in particular the appointment and role of the Chief Financial Officer); (v) the undertaking by parties to the shareholders' agreement not to exercise direction and coordination over Inwit; (vi) the terms and procedures for the prior consultation by the parties to the shareholders' agreement of the matters on the agenda of the (ordinary and extraordinary) shareholders' meetings of Inwit; (vii) the procedure that may be followed if the strengthened majority required by the new

Inwit Bylaws for adopting decisions on some matters is not reached at two consecutive shareholders' meetings of Inwit; (viii) agreement on some principles regarding the dividend policy; (ix) the undertaking, for the full duration of the Shareholders' Agreement, not to transfer all or a part of the stake in Inwit held by the parties to the shareholders' agreement (with the exception of some permitted transfers) (**Lock-Up**); (x) the undertaking, for the full duration of the Shareholders' Agreement, not to purchase or to undertake to purchase for any reason, without the prior written consent of the other shareholder subscribing to the Shareholders' Agreement, "Rights and Instruments of Inwit Shareholders"; not to discuss or negotiate with third parties the purchase of Rights and Instruments of Inwit Shareholders, without the prior written consent of the other shareholder subscribing to the Shareholders' Agreement; and to abstain from any action or behaviour that entails the obligation to make a mandatory tender offer for the Rights and Instruments of Inwit Shareholders (**Standstill**); and (xi) some limitations on investments made by the parties to the shareholders' agreement in other companies operating in the same sector as Inwit.

The excerpt of the agreements set out above was communicated to CONSOB pursuant to article 122 CLF and can be consulted in the "Issuer" Section of the CONSOB website www.consob.it.

Essential information relating to the shareholders' agreements contained in the Shareholders' Agreement is published, pursuant to article 130 of the Issuer Regulation, on the Inwit website in the "governance/shareholders' agreements" section.

TIM AND IMPULSE SHAREHOLDERS' AGREEMENT

On 24 June 2020, TIM and Impulse signed an Investment Agreement which governs the terms and conditions of a unitary and inseparable transaction involving Impulse making an investment in Daphne 3.

The Investment Agreement contained, *inter alia*, some provisions of a shareholder nature concerning the Inwit shares held by TIM and relevant pursuant to art. 122, subsections 1 and 5, letters a) and b) CLF, which ceased to be effective on the date of completion of the transaction which occurred on 2 October 2020. On the same date, TIM, Impulse and Daphne 3 signed a shareholders' agreement (**TIM/IMPULSE Agreement**), in the form already agreed by the parties and annexed to the Investment Agreement, concerning, *inter alia*, the Inwit shares held, through Daphne 3, by TIM and Impulse, as well as the corporate governance of Daphne 3. The TIM/IMPULSE Agreement became effective on 2 October 2020 and will remain valid and effective until the first of the following dates: (i) the third anniversary after its signing; (ii) the date on which one of the parties subscribing to the Shareholders' Agreement ceases to be a shareholder of Daphne 3.

With reference to Inwit, the TIM/IMPULSE Agreement governs, *inter alia*: (i) the undertaking of Daphne 3 to vote at Inwit shareholders' meetings to confirm the appointment of the co-opted directors (one appointed by TIM and one by Daphne 3); (ii) the submission of a slate by Daphne 3 for the appointment of the board of directors of Inwit; (iii) the appointment of the independent director appointed by Daphne 3 as a member of the Related Party Committee and Chairman of the Nomination and Remuneration Committee of Inwit; (iv)

the principles of the Incentive Plan of Inwit; (v) some matters reserved to the board of directors of Inwit, the adoption of which requires the favourable vote of the independent director appointed by Daphne 3.

With reference to Daphne 3, the TIM/IMPULSE Agreement governs, *inter alia*: (i) some matters reserved to the board of directors of Daphne 3, the adoption of which requires the favourable vote of at least two directors appointed by Impulse; (ii) some matters falling within the remit of the shareholders' agreement, the adoption of which requires the favourable vote of Impulse; (iii) the right of withdrawal of Impulse in the event of breach by TIM and/or the Inwit directors appointed by TIM of the provisions of the TIM/IMPULSE Agreement; (iv) the rights due to Impulse in the event of a takeover bid of Inwit (which differ depending on whether the directors appointed by Impulse voted for or against supporting it); (v) the rights of each party to exit the shareholders' agreement on the tenth anniversary of the signing of the TIM/IMPULSE Agreement; (vi) the terms and procedures for reducing the rights due to Impulse in the event of dilution of the relative stake in Daphne 3; (vii) the undertaking of Daphne 3 not to purchase shares in Inwit that represent, in total, over 8% of the share capital and of the parties to the shareholders' agreement, directly or indirectly (including through the affiliates) alone or with people that act in concert (except for Daphne 3), not to: (a) purchase or offer or undertake to purchase, or ensure that any other subject purchases or offers or undertakes to purchase, Inwit shares, without the prior written consent of the other party; or (b) take part in any discussion, negotiation, agreement, commitment or to take or omit to take any action as a result of which it or any other subject will be or is required to purchase Inwit shares, without the prior written consent of the other party; or (c) perform any act or conduct that results in an obligation for the other party (exclusively or jointly) to carry out a mandatory takeover bid on the Inwit shares (subject to certain exceptions provided for therein); and (viii) some limits on the transfer of the shares of Daphne 3.

The excerpt of the agreements set out above was communicated to CONSOB pursuant to article 122 CLF and can be consulted in the "Issuer" Section of the CONSOB website www.consob.it.

Essential information relating to the shareholders' agreements contained in the TIM/IMPULSE Agreement is published, pursuant to article 130 of the Issuer Regulation, on the Inwit website in the "governance/shareholders' agreements" section.

IMPULSE II, PREDICA AND CCA SHAREHOLDERS' AGREEMENT

On 19 June 2020, Impulse II S.C.A. (**Impulse II**), controlled by entities managed by Ardian France S.A. or its affiliates, Predica Prévoyance Dialogue du Crédit Agricole S.A. (**Predica**), a French company, entirely owned by Crédit Agricole Assurances S.A., and Crédit Agricole Vita S.p.A., an Italian joint stock company, entirely owned by Crédit Agricole Assurances S.A. (**Crédit Agricole Vita**), signed an agreement (**Impulse II Investment Agreement**) which governs the terms and conditions of an investment (**Impulse I Transaction**) – completed on 29 September 2020 - by Predica, Crédit Agricole Vita and Impulse II in Impulse to implement the transaction covered in the Investment Agreement described above. The Impulse II Agreement also provided that, on the date of implementation of the Impulse I Transaction, the shareholders of Impulse I would sign a

shareholders' agreement (**IMPULSE II/PREDICA/CCA Agreement**), in the form already agreed and annexed to the Impulse II Investment Agreement, concerning, *inter alia*, provisions governing the exercise of rights linked to the Daphne 3 shares held by Impulse, amounting to 49% of the share capital of Daphne 3, and the shares of Inwit held indirectly by Daphne 3.

The Impulse II Agreement also included the possibility for Marco Emilio Angelo Patuano and Oscar Cicchetti to invest in Impulse through the companies they control.

On 25 September 2020, Impulse II Bis S.C.A. – a Luxembourg company, controlled by entities managed by Ardian France S.A. or its affiliates – (**Impulse II Bis**) adhered to the Impulse II Investment Agreement.

On 29 September 2020 Impulse II, Impulse II Bis, Predica, Crédit Agricole Vita, Marco Emilio Angelo Patuano and Oscar Cicchetti as well as the aforementioned companies controlled by the same signed the IMPULSE II/PREDICA/CCA Agreement which has a duration of 15 years and will be automatically renewed for further periods of 3 years, except in the case of cancellation by one of the parties to be announced with notice of at least 9 months.

With reference to Impulse, the IMPULSE II/PREDICA/CCA Agreement governs, *inter alia*, some matters regarding, *inter alia*, Inwit and/or Daphne which must be resolved on by a qualified majority at the level of both the shareholders' meeting and the board of Impulse.

With reference to Daphne 3, the IMPULSE II/PREDICA/CCA Agreement governs, *inter alia*: (i) the composition of the board of directors of Daphne 3, through Impulse; (ii) some matters reserved to the board of directors of Daphne, the adoption of which requires the favourable vote of Crédit Agricole Vita and Predica upon the occurrence of certain conditions (i.e., the directors of Daphne appointed by Impulse have a veto over the same subjects pursuant to the TIM/IMPULSE Agreement); (iii) the procedure for consulting the directors of Daphne 3 appointed by Impulse prior to each board of directors meeting of Daphne 3; (iv) the appointment of the statutory auditor of Daphne 3 through Impulse.

With reference to Inwit, the IMPULSE II/PREDICA/CCA Agreement governs, *inter alia*: (i) the procedures for appointing the Inwit directors named by Impulse; (ii) abstention, to the maximum extent permitted by law and with some exceptions, directly or indirectly, alone or with any other person acting in concert in accordance with the law, from: (a) purchasing, negotiating, agreeing, offering or undertaking to purchase, soliciting an offer to sell "Inwit Securities", or any derivative product linked to Inwit Securities, or any right, warrant or option to purchase Inwit Securities or any other instrument that can be converted into Inwit Securities or exchanged with them; or (b) signing any contract or agreement with any person that involves the conferment of rights the economic effect of which is equivalent or substantially equivalent to the acquisition or holding of Inwit Securities; (iii) abstention from implementing any transaction and/or action that could give rise to an obligation for Impulse or any other party to promote (or be jointly and severally responsible in relation to the obligation to promote) a mandatory takeover bid on Inwit; and (iv) the procedures for allocating Inwit shares that may come to be held directly by Impulse.

The excerpt of the agreements set out above was communicated to CONSOB pursuant to article 122 CLF and can be consulted in the “Issuer” Section of the CONSOB website www.consob.it.

Essential information relating to the shareholders’ agreements contained in the IMPULSE II/PREDICA/CCA Agreement is published, pursuant to article 130 of the Issuer Regulation, on the Inwit website in the “governance/shareholders’ agreements” section.

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

In a series of agreements to which Inwit is party, provision is made for the obligation to give notice of any change of control.

More specifically, the following agreements mainly relating to relations with majority shareholders, TIM and Vodafone (hereinafter “Telecom Italia” or “TIM”), are noted:

1. TIM Master Service Agreement (hereinafter “TIM MSA”) of 25 March 2020, effective as of 31 March 2020 (hereinafter “Date of Effect”). Inwit and TIM signed the TIM MSA (and therefore terminated the TIM MSA 2015 by mutual consent effective as of the Date of Effect) under which Inwit undertook, for payment of a fee, to provide TIM, at existing Sites, with the following Integrated Hosting Services: (i) use of the electromagnetic space and related physical spaces for the installation and management of equipment for the use of available frequencies and the supply of the relative radiomobile services; (ii) the making available of power supply and conditioning systems, capable of ensuring the correct power supply and functioning of the equipment also in the event of no power supply; (iii) monitoring and security services; (iv) management and maintenance services; (v) electricity supply services; and (vi) measuring and monitoring of the physical and electromagnetic space services.

The TIM MSA has a duration of 8 years and will be tacitly renewed for further periods of 8 years, barring cancellation. As a partial exception to the foregoing, if there is a “change of control” (i.e., TIM and Vodafone EU cease to have joint control pursuant to art. 2359, subsection 1, no. 1 and 2, of the Italian Civil Code, over Inwit), each party will have the option right to automatically renew the TIM MSA for a further period of 8 years starting from the date on which the option is exercised, subject to renewal for a further 8 years, however without the party that has been notified of exercise of the option being able to cancel (and this shall apply for a total of 16 years). Should TIM or Inwit exercise this option right during the first 8-year duration of the TIM MSA, any cancellation that has already been exercised shall be understood to be without effect except for the case in which, limited to cancellation exercised by TIM, both of the following two conditions occur: (i) on the date on which the change of control occurs Inwit has a corporate rating investment grade from at least two agencies out of Standard & Poor’s, Moody’s and Fitch Ratings; and (ii) both said agencies consulted by Inwit after having received notice of the change of control have confirmed the corporate rating investment grade to Inwit also following potential termination of the TIM MSA as a result of such cancellation.

2. Vodafone Master Service Agreement (hereinafter “VOD MSA”) of 25 March 2020, signed between Inwit and VOD and effective as of the Date of Effect, under which Inwit undertakes, for payment of a fee, to provide VOD, on Sites that are available to Inwit, with the same Services set out in the TIM MSA (therefore, reference should be made to the content of the previous Paragraph). The VOD MSA has a duration of 8 years and will

be tacitly renewed for further periods of 8 years, barring cancellation. As a partial exception to the foregoing, if there is a “change of control” (i.e., TIM and Vodafone EU cease to have joint control pursuant to art. 2359, subsection 1, no. 1 and 2, of the Italian Civil Code, over Inwit), each party will have the option right to automatically renew the VOD MSA for a further period of 8 years starting from the date on which the option is exercised, subject to renewal for a further 8 years, however without the party that has been notified of exercise of the option being able to cancel (and this shall apply for a total of 16 years). Should VOD or Inwit exercise this option right during the first 8-year duration of the VOD MSA, any cancellation that has already been exercised shall be understood to be without effect except for the case in which, limited to cancellation exercised by VOD, both of the following two conditions occur: (i) on the date on which the change of control occurs Inwit has a corporate rating investment grade from at least two agencies out of Standard & Poor’s, Moody’s and Fitch Ratings; and (ii) both said agencies consulted by Inwit after having received notice of the change of control have confirmed the corporate rating investment grade to Inwit also following the potential termination of the VOD MSA as a result of such cancellation.

3. Framework Agreement for the Provision of Intra-group Services of 7 May 2015 between Inwit and Telecom Italia to regulate the terms and conditions for the supply by Telecom Italia of the services enumerated in the related annex 1 (security services; services regarding health and safety at work and environmental protection; administrative-accounting services; facility management services).

The Framework Agreement specifies that, with reference to change of control events, Telecom Italia has the right to withdraw from the Agreement and all or part of the aforementioned services in the case where Inwit no longer forms part of the Telecom Italia Group.

The Framework Agreement is currently effective only for administrative-accounting services and for the facility management services linked to subleasing contracts for portions of properties as per item 4 below.

The Framework Agreement includes a specific confidentiality clause.

4. Subleases for portions of properties, designated for office use and for INWIT staff, held by Telecom Italia and signed on 19 March 2015. Subleases for portions of properties, designated for office use and for INWIT staff, held by Telecom Italia and signed on 19 March 2015. The leases prescribe that if INWIT should cease to qualify as a Group company, INWIT will have to stipulate specific insurance cover of the following types, maintaining the policies in force for the whole duration of the lease: civil liability to third parties and employees; damage to its own assets and “tenant’s liability” for an amount equal to the value of the portions of properties leased, and will also, concurrent with the occurrence of the aforementioned event, have to constitute guarantees for an amount totalling three months’ payments of the annual sublease charges. The guarantees shall have validity and efficacy for the whole duration of the related contracts, including renewals or extensions, and for six months after the final expiry dates of the contracts.

The contracts shall include confidentiality clauses applicable to both Parties.

5. Administrative services supply contract, signed with Telecom Italia on 13 January 2020, for TIM to supply Inwit with a series of administrative services relating to administrative and accounting activities listed in the contractual annexes. The contract states, *inter alia*, that each party has the right to withdraw from the same

contract should Inwit cease to be controlled by TIM pursuant to art. 2359 of the Italian Civil Code or in the case of the transfer of a TIM branch of business affected by the services covered in the contract to companies not belonging to the Telecom Group; the withdrawal shall enter into effect 3 (three) months after receipt of the letter sent via certified e-mail with which the party notified the other of exercise of the right of withdrawal, without there being any entitlement to make any claim for indemnity and/or compensation in respect of such withdrawal, without prejudice to the amounts accrued *pro rata temporis* on the date the withdrawal came into effect. TIM also recognises the right of Inwit to withdraw from the contract at any time and for any reason by giving written notice to TIM which provides the right to withdraw with 3 (three) months' notice without any entitlement to request penitential fines, compensation or indemnity from Inwit in respect of such withdrawal. To date neither party has exercised the right of withdrawal.

6. Service agreement for the supply of an LTE coverage network or mobile network using "Small Cells", signed with Telecom Italia on 28 June 2017, with which Inwit undertook to supply Telecom with an integrated service aimed at the creation of an LTE coverage network or mobile network signal of Telecom, which states, in art. 3.4, that in the event of corporate transactions that result in Telecom losing equity control of Inwit, Telecom shall have the right to purchase the small cell plants at an agreed buy-back price with the consequent unilateral termination of the contract as of the date on which ownership of the small cell plants is actually transferred.

The contract shall include confidentiality clauses applicable to both Parties.

7. Framework agreement for the supply of transmission and ancillary services on multi-operator and multiservice microcell coverage plants created with DAS technology, signed with Telecom Italia on 18 September 2019, on the basis of which Inwit grants Telecom the right to use the DAS Systems that Inwit will create over the course of the agreement duration. Pursuant to art. 30 of the agreement, should Inwit cease to be controlled by Telecom pursuant to art. 2359 of the Italian Civil Code, Telecom shall have the right to withdraw from the agreement with 3 (three) months' notice.

The contract shall include confidentiality clauses applicable to both Parties.

8. Framework agreement for hosting services, signed with Iliad Italia S.p.A. on 1 February 2019, which states, in art. 15.1 (b), that in the event of a change of control of one of the parties pursuant to art. 2359 of the Italian Civil Code, the party affected by the change of control must inform the other party about the change of control within and no later than 15 (fifteen) working days after completion of the relative transaction. In the event of breach of this obligation, the other party shall be entitled to withdraw from the framework agreement and each individual hosting agreement with immediate effect, pursuant to art. 1456 of the Italian Civil Code.

The agreement includes a confidentiality clause.

9. Agreement for Travel Booking and Travel Monitoring service implementation activities, renegotiated in 2020 between Telecom INWIT and HR Services, following a change in the control of the corporate structure of Inwit. The agreement also recognises the possibility for INWIT to withdraw from the contract at any time and for any reason by giving written notice to TIM 3 (three) months in advance without any entitlement to

request penitential fines, compensation or indemnity from Inwit in respect of such withdrawal. In the deed of accession, Inwit and HR Services supplemented the general provisions of the agreement with a change of control clause under which, should there be a change in the control of the corporate structure of Inwit, the parties undertake to negotiate in good faith the new terms and financial conditions of the agreement in line with the changed corporate situation. If no agreement is signed within the subsequent 30 (thirty) days, the parties shall have the right to declare the agreement terminated, by the deadline of a further 30 (thirty) days; once such deadline has passed, in the absence of written notice, the agreement shall continue to produce effects between the parties.

As of 31 December 2020, part of the loan signed on 19 December 2019 with a pool of 10 national and international banks used to acquire a 43.4% stake in Vodafone Towers and to pay the extraordinary dividend is in place. This loan, on the date of this Report, consists of (a) a Term Loan for the amount of 1 billion euros and, (b) a Revolving Credit Facility for the amount of 500 million euros, the latter completely unused. This loan, in the event of a change of control of TIM and Vodafone, grants the lending banks the right to ask the Company for the mandatory early redemption of the sums disbursed and cancellation of the Revolving Line.

With reference to the Base Prospectus of the Euro Medium Term Notes Bond Programme, in the event of a change of control, the bondholders may exercise the put option with respect to INWIT which is required to buy back the Notes at a price equal to 100%.

Finally, it should be noted that, with reference to the procedure specified in art. 47 of law no. 428/1990, relating to the personnel of the Tower branch of Telecom Italia's business transferred to INWIT, Telecom Italia's undertaking, in the event of loss of control over the Issuer, to acquire, by individual transfer, seamlessly, the employment contracts of the members of staff transferred (considered to be employees) who should formally request this within thirty days of the announcement of the event came into effect. As of 31 December 2020, 18 employees exercised the clause to rejoin Telecom Italia.

On the question of takeover bids, the Company Bylaws contain no derogations of the provisions on the "passivity rule" prescribed in art. 104 of the CLF, nor do they contain any of the neutralisation rules contemplated in art. 104-bis of the CLF.

i) Authorisations to increase share capital and share buy-back

At present, there are no Shareholders' Meeting resolutions authorising the Board of Directors to increase the share capital.

The Shareholders' Meeting of 28 July 2020 authorised the Board of Directors – pursuant to and for the purposes of art. 2357 of the Italian Civil Code – to proceed with the purchase (and subsequent disposal), also in more than one tranche, of a maximum of 662,000 ordinary shares of the Company (representing approximately 0.07% of the share capital) for a total outlay of up to 7,500,000 euros, for the implementation of the 2020–2024 Share-Based Incentive Plan and the 2020 Broad-Based Share Ownership Plan for employees.

On 31 December 2020 INWIT held 36,550 treasury shares. On 11 January 2021, an additional 50,000 shares were purchased.

j) Direction and coordination

As of 31 March 2020 the Company is no longer subject to the direction and coordination activities of Telecom Italia, pursuant to art. 2497 and subsequent articles of the Italian Civil Code.

Subject to the merger taking effect, TIM, VOD EU and Inwit had in fact undertaken to arrange for an Inwit Board of Directors meeting to be held for the purpose of acknowledging that the direction and coordination activities exercised by TIM over Inwit should be considered as terminated. At the meeting on 31 March 2020, the Board of Directors – taking into account the new company structure of INWIT and the shareholders' agreements signed between TIM and Vodafone Europe – verified and noted the termination of the aforementioned direction and coordination activities by TIM (effective as of 31 March 2020).

3. COMPLIANCE

Inwit is a limited company with registered office in Italy, subject to Italian and European Community law.

Inwit has adhered to the Corporate Governance Code of Borsa Italiana of July 2018, and adapts its own system of corporate governance to Italian and international best practices.

As indicated in the introduction, the Company has started the necessary and/or appropriate alignment to adapt its governance arrangements and documents to the national legislation transposing Directive EU 2017/828 (Shareholders Rights II) and the new Corporate Governance Code, adopted by the Corporate Governance Committee of Borsa Italiana in January 2020, which it formally adhered to with a resolution passed by the Board of Directors on 4 February 2021.

4. BOARD OF DIRECTORS

4.1. Appointment and replacement

Pursuant to art. 13 of the company Bylaws – approved by the Shareholders' Meeting on 19 December 2019 and effective as of 31 March, the date on which the merger of Vodafone Towers S.r.l. into INWIT took effect – the Board of Directors is made up of a minimum of 10 and a maximum of 13 Directors; it is appointed on the basis of slates submitted by persons entitled to vote holding a proportion of the ordinary share capital as required by Consob. Regarding this, it should be noted that with Resolution no. 44 of 29 January 2021, Consob set this proportion at 1% for Inwit.

Slates containing a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so as to allow the appointment of a Board of Directors, in accordance with the provisions of the Inwit Bylaws, that complies with the gender balance regulations in force at the time.

A minimum number, corresponding to the minimum prescribed by the legal and regulatory provisions in force at the time, must fulfil the requirements of independence.

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

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

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

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

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

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

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

- 1) the number of members of the Board of Directors is 13, except as provided for in point 5) below;

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

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

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

The Company Bylaws (articles 13.14 and 13.15) govern the procedures for the appointment and/or replacement of the directors if the composition of the board of directors resulting from application of the procedures set out in points (A) to (D) above does not include, among the directors who have been appointed, the minimum number of directors who meet the independence requirements set out in the laws and regulations in force at the time, and/or does not respect the gender balance.

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

The Company Bylaws (articles 13.17 and 13.18) govern, should one or more vacancies occur on the Board, the procedures for replacing the directors according to whether it is necessary to replace one or more directors chosen from a Qualified Slate (from which no more than five directors or 10 directors have been chosen) or chosen from a slate other than a Qualified Slate.

If the replacement occurs through co-opting (pursuant to art. 2386 of the Italian Civil Code), if the Shareholders' Meeting at the first available opportunity does not confirm the appointment of the co-opted directors, the entire Board shall be understood as having resigned, with termination of the office becoming effective from the moment the Board of Directors has been reconstituted by persons appointed by the shareholders' meeting.

Each time at least five members of the Board of Directors have ceased to hold office who were appointed by the resolution of the shareholders' meeting (including directors whose office was confirmed by resolution of the shareholders' meeting following replacement) for any cause or reason, the entire Board shall be understood as having resigned, with termination of the office becoming effective from the moment the Board of Directors has been reconstituted by persons appointed by the shareholders' meeting, and the directors who still hold office must arrange to call a shareholders' meeting to appoint the new Board of Directors.

The current Company Bylaws are available on the website www.inwit.it, in the Governance section.

Succession Plan

In 2020, the process for defining the new succession plan of the executive Directors and replacement tables for the Chief Executive Officer and Key Manager was started (the first succession plan was approved by the Board of Directors on 16 March 2017); the new succession plan will take into account, *inter alia*, the share ownership structure of the Company resulting from the Vodafone Towers merger and the related growth in the size and business.

The Company was assisted in the definition of the succession plan and the replacement tables by a leading consulting firm with specific experience in defining succession plans.

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

The process described includes:

- the context of application
- the objectives
- the beneficiaries
- the events for its application
- the detailed description of the phases, activities, timing and responsibilities of the various individuals involved in the process of succession planning and replacement table management.

The succession plan comes into effect when the early replacement of the Chief Executive Officer or Chairman is necessary due to unforeseeable events. In such a situation, should the Chief Executive Officer cease to hold office, the plan provides that the duties pertaining to this role shall be assigned to the Chairman until the new Chief Executive Officer takes office. If it is the Chairman who ceases to hold office, this figure shall be replaced by the Chief Executive Officer or the most senior Director until the new Chairman takes office.

In the event of the early termination from office of the Chief Executive Officer, the Nomination and Remuneration Committee – as authorised by the Board of Directors and with the support of the Human Resources department – shall start the search for the shortlist of candidates to replace the Chief Executive Officer, and subsequently submit the names for the approval of the Board.

The Human Resources Department, which manages and implements the replacement tables, shall periodically update them having verified the bench of successors in terms of profile alignment, and report the results and process KPIs to the Nomination and Remuneration Committee.

The results of the replacement tables shall be presented to the Board of Directors, with the approval of the Nomination and Remuneration Committee, by the first half of 2021.

4.2. Composition

The Shareholders' Meeting of 20 March 2020 appointed the current Board of Directors, which took office on 31 March 2020, the date on which the merger of Vodafone Towers into INWIT came into effect.

Pursuant to the Company Bylaws, 13 directors were elected, of which 10 directors (Giovanni Ferigo, Fabrizio Rocchio, Carlo Nardello, Emanuele Tournon, Agostino Nuzzolo, Barbara Cavaleri, Sabrina Di Bartolomeo, Sonia Hernandez, Filomena Passeggio and Antonio Corda) were chosen from the "Qualified Slate" submitted by the shareholder Telecom Italia S.p.A. which holds 360,200,000 INWIT ordinary shares equal to 60.03% of the share capital and whose slate received 71.6% of the votes of the capital represented at the Shareholders' Meeting.

The other 3 directors (Secondina Giulia Ravera, Laura Cavatorta and Francesco Valsecchi) were chosen from the "minority slate" presented by a group of asset management companies and investors that hold a total of 17,616,529 INWIT ordinary shares equal to 2.93609% of the share capital, which received 28.2% of the votes of the capital represented at the Shareholders' Meeting.

The directors Filomena Passeggio, Secondina Giulia Ravera, Laura Cavatorta and Francesco Valsecchi have declared that they meet the independence requirements laid down by Article 148 of the Consolidated Law on Finance and the Corporate Governance Code of Listed Companies.

The duration of the term of office was established as three financial years (until the Shareholders' Meeting called to approve the financial statements at 31 December 2022). The Shareholders' Meeting approved the proposal to authorise the appointed directors - as a waiver to the limitations referred to in article 2390 of the Italian Civil Code, insofar as applicable - to maintain the offices that they stated they hold in the declarations issued when the slates were compiled.

Ascertainment that the board as a whole and the individual newly appointed Directors possessed the requirements was undertaken by the Board of Directors at its first meeting held on the day it came into office (31 March 2020) and, thereafter, at the meeting on 4 March 2021.

On 23 April 2020, the Board of Directors acknowledged the resignation of Ms Barbara Cavaleri to allow for the appointment of a non-executive and independent Director named by Vodafone Europe (in keeping with the provisions of the shareholders' agreement with TIM S.p.A.) and, pursuant to art. 2386, subsection 1, of the Italian Civil Code, appointed the director Ms Angela Maria Cossellu, verifying her fulfilment of the integrity and independence requirements set by current legislation and by the Corporate Governance Code of Borsa Italiana. The Board of Statutory Auditors approved the resolution. The appointed director, whose office lapsed *ex lege* with the first Shareholders' Meeting, was appointed by the Shareholders' Meeting of 28 July 2020, until approval of the financial statements as at 31 December 2022.

On 2 October, the Board of Directors acknowledged the resignation of the independent director Ms Filomena Passeggio and of the non-executive director Mr Carlo Nardello and appointed by co-option, with the approval of the Board of Statutory Auditors, the directors Mr Rosario Mazza, named by Ardian in compliance with the shareholders' agreements in place between TIM and Ardian, and Ms Giovanna Bellezza, named by TIM in order to ensure compliance within the Board of Directors of the gender requirements laid down in current legal and regulatory provisions.

The new directors will remain in office until the next Shareholders' Meeting, in accordance with the law.

On the same date, the Board verified that Mr Rosario Mazza fulfils the integrity and independence requirements set by current legislation and by the Corporate Governance Code of Borsa Italiana S.p.A.

Representation of the genders (six women and seven men) is satisfied by the presence on the Board of the directors Ms Bellezza, Ms Cavatorta, Ms Cossellu, Ms Di Bartolomeo, Ms Hernandez and Ms Ravera: the less represented gender is above the quota (2/5 of the members) set by law and the Bylaws (amended on 6 February 2020 to adapt it to the regulations on gender balance on the boards of companies with listed shares).

The *curricula vitae* of the members of the administrative body are available on the website www.inwit.it, Governance Section - Company Bodies/Board of Directors.

Table 2 provides information on the composition of the Board of Directors in office and the changes that occurred in 2020.

Diversity criteria and policies

The Company Bylaws, as amended on 6 February 2020, in the section on the appointment of the Board of Directors with regard to gender balance, make reference to the regulations in force at the time. For a description of the procedure for submitting slates that ensure the presence of the less represented gender in line with the set proportion, refer to article 13 of the Bylaws. In this regard, note that there are six members belonging to the less represented gender on the Board of Directors, therefore the percentage is higher than required by the regulations.

Aware that in the composition of corporate bodies diversity of professional background, managerial experience and gender represent an opportunity and a value, the Company Bylaws, also in the version adopted in view of listing, provided that a predetermined quota of members of the Board of Directors and of the Board of Statutory Auditors should be reserved to the less represented gender.

Although at present the Company has not adopted additional diversity policies relating to the age, qualifications, educational path or professional career of the Directors, the Company focuses on Diversity topics regardless of the legal requirements.

Since it was established, INWIT has adopted human capital management policies to promote equal treatment and opportunities among genders within the entire company organisation and has monitored their state of progress.

The promotion of these principles has been ensured mainly through the hiring policy, the resource management and development policy, and the rewarding policy.

The hiring policy has led to an increase in the number of women working at the organisation: in 2015 the percentage of women was 25% of the total staff, while by the end of 2020 the percentage had risen to 35%. The greater presence of women has involved all the company departments subject to hiring: in both the staff and line departments, where as a rule there tended to be more men.

The managerial development policy was also based on equal opportunity principles and the need to rebalance the gender gap: 30% of the first line positions reporting to senior management are assigned to women. In particular, the position of Chief Technology Officer, typically characterised by technical know-how and traditionally assigned to male managers, is currently held by a woman.

Also in terms of the gender pay gap, the Company has undertaken to adopt rewarding policies, also monitored by the Nomination and Remuneration Committee, which aim to ensure alignment in terms of remuneration – the operational role or managerial position held being equal – bridging the gap recorded between men and women.

Maximum accumulation of offices held in other companies

According to the Corporate Governance Principles, acting as a director of the Company is not considered compatible with being a director or statutory auditor in more than five companies, other than those subject to the direction and coordination of Telecom Italia S.p.A. or Vodafone Group Plc, or their subsidiaries or affiliates, which are

- listed in the FTSE/MIB index and/or
- operating primarily in the financial sector for the general public and/or that carry out banking or insurance activities.

In the case of executive directors in companies with the characteristics listed above, the limit is reduced to three. The Board of Directors may, however, make a different assessment (to be published in the annual Report on corporate governance), even if departing from the stated criteria. If a Director holds office in more than one company belonging to the same Group, only one appointment held within that Group shall be taken into account when calculating the number of appointments.

The Directors who served during the 2020 financial year respected the accumulation limits indicated above.

Induction

In 2020, the Directors and Statutory Auditors participated in three induction days with management and consultants which aimed to provide members of the Board of Directors in office since 31 March 2020 in particular with adequate knowledge of the Company (its history, mission, strategy, market, organisation, resources and governance), the content of the Master Service Agreement signed by the Company with TIM and Vodafone Italia, and the remedies set by the European Competition Authority, as well as the activities envisaged in the integration Plan and the Internal Control and Risk Management System.

Updates of the reference regulatory framework, including as regards governance, were communicated in specific information notes.

4.3. Role of the Board of Directors

The role of the Board of Directors is to provide strategic supervision and direction, pursuing the primary objective of creating value for the shareholders, with a medium-long term perspective, also taking the legitimate interests of the remaining stakeholders into account.

In 2020, 15 Board of Directors' meetings were held; the average duration of the meetings was around two hours and thirty minutes. The percentage of attendance was approximately 97% (99% for independent Directors).

The Board of Directors has planned 9 meetings for 2021, without prejudice to any additional meetings in accordance with the operating requirements. As of the date of this Report, 2 meetings have been held.

The pre-board information, the purpose of which is to enable informed participation in meetings, was distributed with the support of a specific IT platform and made available, as is usual, at the same time as the meeting was called and therefore, as per the bylaws, as a rule at least five days prior to the meeting, and in any case with as much advance notice as the circumstances permit; in situations where urgency prevented this notice period and, as a result the meeting was called at least twelve hours in advance, the issues were adequately discussed in depth during the board meetings. When required by the subjects discussed, representatives of the Company management or external consultants were invited to take part, who ensured the necessary technical and professional support.

On 23 April 2020, the Board of Directors approved its Regulations.

Tasks reserved to the Board

Matters falling within the remit of the Board of Directors (and therefore that cannot be delegated), in addition to those reserved to it by law, are set out in art. 18 of the Company Bylaws; as regards specific matters indicated in the Bylaws, the Board of Directors must resolve with the presence and favourable vote of at least 9 directors.

The Corporate Governance Principles of the Company, in the version updated on 23 April 2020, unlike the previous version, do not identify additional matters reserved to the full board.

The general performance is assessed from time to time in the various meetings and specifically when examining financial reports and data on the progress of operations, with detailed comparison of the results obtained and the budget targets.

During the year, the Board of Directors assesses the adequacy of the general organizational, administrative and accounting structure of the company based on information from management, and, with regard to the internal control and risk management system, based on the preparatory work conducted by the control and risk Committee.

The flow of information to the Board, functional to the exercise of the duties and responsibilities of the administrative body regards, in addition to the topics of the meeting and follow-up on the resolutions made,

the general business trend and its foreseeable development; market consensus and analyst evaluations; the activities carried out, in particular with reference to major economic or financial transactions, those regarding assets or particularly sensitive transactions including related party transactions of amounts exceeding 500,000 euros; any further activities, transactions or events which the Chairman or Chief Executive Officer deem it appropriate to bring to the attention of the Directors.

With regard to the internal control and risk management system, the Board of Directors makes recourse to the preliminary investigation carried out by the Control and Risk Committee, which reports on the progress of its activities and the main findings emerging in each meeting, specifically with regard to the adequacy of the system during the review of the financial statements and interim report.

Self-assessment

In compliance with the provisions of Application Criterion 1.C.1. letter g) of the Corporate Governance Code, the Board of Directors conducted a self-assessment, as it has each year since 2015.

It was deemed advisable, also for FY 2020, to engage the support of a consultant – identified by the Nomination and Remuneration Committee as Russell Reynolds Associates – also taking into account the new composition of the Board of Directors (and of the Board Committees) which started the first year of its term of office in 2020. The aforementioned consulting firm has not performed any assignments for INWIT in the previous 24 months; it has performed head hunter services for TIM and Vodafone, but due to the company's high professional standing it was considered that this did not compromise the independence and objectivity required by the assignment.

The self-assessment of the Board of Directors and Board Committees of INWIT for FY 2020 was carried out by two senior partners of Russell Reynolds Associates, experts in board effectiveness, and it was performed in line with the most advanced methodology at international level. The advisor prepared a questionnaire, sharing it with the Nomination and Remuneration Committee, and distributed it to all members of the Board of Directors and the Chairman of the Board of Statutory Auditors: this was followed by individual interviews which were held in January 2021. The Secretary of the Board of Directors and the Chief Financial Officer were also interviewed as observers.

The following areas were covered: the composition, role and functioning of the Board of Directors, the expertise and experience of its members, relationships between the Directors and those between the Board and management, risk governance, and the role, composition and functioning of the Committees.

The process was completed in the second half of February 2021 and the results, as summarised in a specific brief report, were discussed at the board meeting on 4 March 2021.

In summary, the Directors expressed their full satisfaction and appreciation for the size, composition and functioning of the Board of Directors and of its Committees; the Board, in the first year of its term of office, started a series of activities aimed at expanding the knowledge of the individual Directors who were new to the office and to strengthen their awareness of the governance principles. The Board operates in substantial compliance with the Corporate Governance Code and with Best Practices, at both Italian and international

level. With reference to the operation of the Board and its Committees in 2020, the following strengths were identified:

- the Board of Directors is made up for the most part of Directors with professionalism, technical experience in the sector and excellent knowledge of the business, and who are highly motivated to participate. The Directors are fully aware of their responsibilities, powers and duties pertaining to the function they are required to perform;
- the Board of Directors, which became fully operational shortly after the merger, operates well, board discussions are geared towards open and constructive discussion, and the Directors feel they can express their opinions freely. There is strong commitment to practicality;
- The induction and updating plan was considered effective as a whole by the majority of the Directors; a good example is the discussion of the Business Plan with a clear identification of the development areas;
- the Directors consider the structure of the Board to be appropriate in terms of Board Committees; the Committees' activities are appreciated;

some activities carried out during the financial year were also appreciated, such as the start of work to update succession planning, the development of the sustainability plan, the broad-based share ownership plan for employees, and the new ERM matrix.

Some improvement areas were also identified during the interviews. In particular, the opportunity emerged to:

- start a process of simplifying the documentation to make it more usable (standardise the executive summary, organize the material by topic) and to ensure it is sent out strictly within the deadlines;
- assess the programming of a "Strategy Day" as a moment for the board to reflect on the company strategy, the future, and also as opportunity to socialise with the first tier at Company level;
- develop a specific Corporate Governance induction programme covering content as well as attitude and behaviour.

Going forward, it might be advisable to increase the number of Independent Directors.

Competing activities

The Shareholders' Meeting of 20 March 2020 approved the proposal to authorise the appointed directors – also as a waiver to the limitations referred to in article 2390 of the Italian Civil Code, insofar as applicable – to maintain the offices that they stated they hold in the declarations issued when the slates were compiled.

During 2020 there were no circumstances that were problematic in terms of the specific law on competition and directors' interests. The Board of Directors remains committed to monitoring them, reserving the right to assess their merits and to report them to the Shareholders' Meeting in the event of critical situations.

4.4. Delegated bodies

The assignment (and revocation) of powers to Directors is reserved to the Board, which defines the purpose, limits and methods of exercising the assigned powers.

The Board of Directors, at the meeting on 31 March 2020, the date on which the merger of Vodafone Towers into Inwit came into effect, appointed Giovanni Ferigo as Chief Executive Officer (a role he had already held since 13 April 2018). Mr Ferigo was also appointed General Manager on 13 April 2018.

Giovanni Ferigo was attributed, in addition to the legal representation of the Company, all the powers necessary to carry out the Company's ordinary activities in its various manifestations, with the exception of those reserved to the Board of Directors by law and the Bylaws; responsibility for the ordinary management and overall governance of the Company, including responsibilities relating to market disclosures and the responsibility for defining the strategic, industrial and financial plans, proposing them to the Board of Directors, and then implementing and developing them.

He is responsible for defining - in executing the policies laid down by the Board of Directors - the internal control system, ensuring its adaptation to changes in the operational environment and in the applicable laws and regulations.

As at 31 December 2020, the following departments reported to the Chief Executive Officer:

- Marketing & Sales, headed by Gabriele Abbagnara;
- Administration, Finance and Control & Business Support, headed by Diego Galli since 1 April 2020 (and previously headed by Andrea Balzarini) to which, *inter alia*, the Administration, Control and Risk Management department headed by Rafael Perrino, and the Finance & Investor Relations department headed by Emanuela Martinelli, report;
- Operations & Maintenance, headed by Elisa Patrizi;
- Technology Governance & MSA, headed by Massimo Giuseppe Scapini;
- Real Estate, headed by Francesco Piccirillo;
- *Legal & Corporate Affairs*, headed by Salvatore Lo Giudice, to which the **Compliance & Data Protection** department headed by Antonio Enrico Agovino (since 18 January 2021) reports;
- Human Resources, headed by Francesca Stacchiotti;
- External Relations & Communication, headed since 5 June 2020 by Michelangelo Suigo.

On the date of this Report, the Merger Integration & Cross Initiatives department (established on 1 April 2020 and headed by Andrea Balzarini) has been superseded, while the Finance department was assigned to Emanuela Martinelli and the Investor Relations department to Fabio Ruffini.

4.5 Other Executive Directors

On 31 December 2020 only the Chief Executive Officer (and General Manager) Giovanni Ferigo was considered an executive director.

4.6 Chairman

In FY 2020, the role of Chairman of the Board of Directors was performed by Piergiorgio Peluso, up until 31 March 2020, the date on which the Board of Directors appointed Emanuele Tournon as Chairman of the Board of Directors, conferring on him the powers of legal representation, also in court.

4.7 Independent directors

Inwit has adopted the criteria established by the Corporate Governance Code of Borsa Italiana for the qualification of the independence of Directors.

At its meeting on 13 April 2018 the Board of Directors conducted the first check of the independence requirements of its members, appointed by the Shareholders' Meeting on the same date, with annual renewal on 18 February 2019 and 5 March 2020; on 5 March 2020 six of the eleven Directors in office at the time were recognised as fulfilling the independence requirements pursuant to 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.

Following the renewal of the entire Board of Directors, in office since 31 March 2020, on the same date the Board ascertained that the Directors Ms Cavatorta, Ms Passeggio, Ms Ravera and Mr Valsecchi meet the independence requirements.

For its part, the Board of Statutory Auditors again checked the fulfilment of the requirements and the correct application of the independence criteria on 13 March 2020 (for members of the Board up until 30 March 2021) and on 2 April 2020 (for Directors in office since 31 March 2020) and, finally, on 11 March 2021 (for Directors currently in office).

Among the current Directors, in office on the date of this Report, Ms Cavatorta, Ms Cossellu, Mr Mazza, Ms Ravera and Mr Valsecchi fulfil the independence requirements (as most recently ascertained on 4 March 2021).

4.8 Lead Independent Director

Back in 2015 Inwit identified a Lead Independent Director (LID) from among the independent directors; since 10 May 2018, until the new Board of Directors came into office, the role of LID was held by the Director Mr Enrico Maria Bignami; on 23 April 2020, the Lead Independent Director was identified as the Director Ms Secondina Giulia Ravera.

The Lead Independent Director, who represents a point of reference and coordination for the issues and contributions of the independent directors, is granted the right to use corporate departments to perform the tasks entrusted to this figure and to convene special meetings of the Independent Directors (Independent Directors' Executive Sessions) to discuss issues affecting the functioning of the Board of Directors or management of the business.

During 2020 the Independent Directors met twice.

5. PROCESSING OF CORPORATE INFORMATION

Inwit adopted an articulated set of rules and procedures for the correct management of the information processed in the company, in compliance with the laws applicable to the various types of data; these rules act on the organisational and technical plan and on the operating procedures. The processing of information, in particular, is supported by information systems and processes linked to their development, maintenance and use, which are governed by specific company rules and requirements.

After EU Regulation 596/2014 (the “Market Abuse Regulation” or MAR) came into force in July 2016, the Board of Directors at its meeting on 25 July 2017 approved the new “*Inside information and insider dealing procedure*,” which was later updated (on 15 May 2019) mainly to take into account the “Guidelines” on the management of inside information published by Consob on 13 October 2017, which contain “*a possible reference prototype for the issuer, in part based on mandatory provisions and in part based on Consob directions*,” without prescriptive content and amendments to the organisational structure that occurred in 2018 and 2019.

The Procedure was most recently updated on 23 April 2020 as part of the review of the main corporate governance documents adopted by the Company.

The Procedure governs the management of relevant information in a more analytical manner, and providing for, *inter alia*, the establishment of a Register of persons who have access to relevant information managed through an application that has a separate section from that of people who have access to inside information and identifies the company departments usually involved (“FOCIP”) in the process of qualifying and managing inside information and relevant information.

The inside information and insider dealing procedure can be consulted in the Governance section of the Company website www.inwit.it.

In its meeting on 27 February 2015, the Board of Directors resolved to avail itself of the right to waive the obligations to publish information documents in case of significant merger or de-merger, purchase or sale operations, or operations to increase the share capital by investment in kind.

6. INTERNAL BOARD COMMITTEES

At its meeting on 23 April 2020, the Board of Directors appointed the following board committees: Nomination and Remuneration Committee, Control and Risk Committee, Related Party Committee and Sustainability Committee; these last two board committees are newly established.

The Strategy Committee, originally established on 23 July 2018 and in office until 31 March 2020 (made up of Piergiorgio Peluso, Chairman, Giovanni Ferigo, Enrico Maria Bignami, Carlo Nardello and Secondina Giulia Ravera) met once in 2020.

The functions of the Committees, which have an investigative, consulting and proposing role, are described in the Company's Corporate Governance Principles and in the respective regulations (documents available for consultation in the Governance section of the Company website www.inwit.it).

The Chairmen of the Committees report to the full board on the issues dealt with at the first appropriate meeting.

7. NOMINATION AND REMUNERATION COMMITTEE

Composition and functioning

The Nomination and Remuneration Committee (henceforth in this paragraph simply the "Committee") currently in office – appointed by the Board of Directors on 23 April 2020 - is made up of 3 non-executive directors, 2 of whom are independent (Rosario Mazza, Chairman - who replaced Filomena Passeggio - Laura Cavatorta and Antonio Corda).

For the details and changes to the composition over the course of 2020 see table 2.

All the members of this Committee possess adequate expertise in financial matters or remuneration policies.

The regulations of the aforementioned Committee are contained not only in the Corporate Governance Principles of the Company but also in the specific regulations approved by the Board of Directors at its meeting on 23 April 2020 (documents available in the Governance section of the Company website www.inwit.it).

Functions and activities performed

On the basis of operational efficiency considerations, the Committee combines the duties and responsibilities attributed to the Nomination Committee and the Remuneration Committee by the Borsa Italiana Code¹.

Moreover, in accordance with the Inwit Corporate Governance Principles, the Committee:

- makes proposals to the Board of Directors on the succession plan of the Chief Executive Officer if it is adopted by the Board of Directors and monitors the updating of the company management replacement tables;

¹Pursuant to point 6.C.5. of the Borsa Italiana Code, the Remuneration Committee shall, in particular:

- periodically evaluate the adequacy, overall consistency and actual application of the policy for the remuneration of directors and key management personnel, also on the basis of the information provided by the managing directors; it shall formulate proposals to the Board of Directors in that regard
- submit proposals or issue opinions to the Board of Directors for the remuneration of executive directors and other directors who cover particular offices as well as for the identification of performance objectives related to the variable component of that remuneration; monitor the implementation of decisions adopted by the Board of Directors and verify, in particular, the actual achievement of performance objectives.

Moreover, point 5.C.1. of the Borsa Italiana Code assigns the following functions to the Nomination Committee:

- to express opinions to the Board of Directors regarding its size and composition and express recommendations with regard to the professional skills necessary within the Board as well as with regard to the topics indicated by articles 1.C.3 (limit to the accumulation of offices) and 1.C.4 (derogations from the prohibition of competition pursuant to Article 2390 of the Italian Civil Code);
- to submit to the Board of Directors candidates for the office of director, in case of co-optation, should the replacement of independent directors be necessary.

- establishes the procedure and period for the annual evaluation of the Board of Directors;
- proposes the criteria for allocating the total annual remuneration established by the Shareholders' Meeting for the whole Board of Directors;
- makes proposals on stock option plans and the remuneration of top management;
- performs other duties assigned to it by the Board of Directors.

In 2020, the Committee has met 13 times. The average duration of meetings was approximately two hours and the attendance percentage of members was 100%.

For 2021 the Committee plans to hold 6 meetings; 4 meetings have already been held, with 100% of the members in attendance.

For further information on the work of the Committee, see the Remuneration report for 2020, which may be consulted on the company website at www.inwit.it, Governance channel.

The Committee (whose meetings are attended by the Chair of the Board of Statutory Auditors or any other Auditor designated by said Chair, without prejudice to the possibility for all Statutory Auditors to attend) was able to access the information and company departments necessary to carry out its tasks.

It makes use of the Company's departments or external consultants of its choice, at the Company's expense, within the limits of the company budget or with the prior approval of the Board of Directors.

8. REMUNERATION OF DIRECTORS, GENERAL MANAGERS AND KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

Information on the remuneration of the directors and key managers with strategic responsibilities is made available in the Report on the policy regarding remuneration and fees paid, which is available for consultation in the Governance section of the Company website www.inwit.it.

9. CONTROL AND RISK COMMITTEE

Composition and functioning

The Control and Risk Committee currently in office – appointed by the Board of Directors on 23 April 2020 - is made up of 5 non-executive directors, 3 of whom are independent (Angela Maria Cossellu, Chairman, Antonio Corda, Agostino Nuzzolo, Secondina Giulia Ravera and Francesco Valsecchi).

For the details and changes to the composition over the course of 2020 see table 2.

The regulations of the Control and Risk Committee (henceforth in this paragraph simply "the Committee") are contained not only in the Corporate Governance Principles but also in the specific Regulations approved by the Board of Directors at its meeting of 23 April 2020 (documents available on the website www.inwit.it, Governance section).

Where it is considered appropriate, in relation to the issues to be discussed, the Committee and the Board of Statutory Auditors shall meet jointly, with the agenda being defined in agreement between the respective Chairmen.

Committee members, as a whole, shall have adequate expertise in accounting and finance or risk management.

Functions and activities

The Committee is a body charged with giving advice and making proposals, and has the task of supporting, with adequate investigations, the assessments and decisions of the Board of Directors regarding the internal control and risk management system, and the activities relating to approval of the periodic financial reports.

Without prejudice to the tasks assigned by the Borsa Italiana Code², the Committee, pursuant to the Inwit Corporate Governance Principles:

- monitors observance of the Company's corporate governance rules, as well as the evolution of rules and best practices on the matter, also with a view to proposing updates to the rules and internal practices of the Company;
- establishes financial and non-financial fiscal year disclosure, in view of examination by the full board;
- performs other duties assigned to it by the Board of Directors.

The Chairman of the control body attends Committee meetings that are not held jointly with the Board of Statutory Auditors (or, if he cannot attend, another Auditor delegated by him will take his place, without prejudice to the possibility for all Statutory Auditors to attend).

² The Committee, in assisting the Board of Directors:

- together with the person responsible for the preparation of the corporate accounting documents, after hearing the external auditors and the Board of Statutory Auditors, assesses whether the accounting principles have been correctly applied, and, in the case of groups, their consistency for the purposes of preparing the consolidated financial statements;
- expresses opinions on specific aspects relating to the identification of the main risks for the company;
- reviews the periodic reports evaluating the internal control and risk management system, as well as those reports of the Internal Audit function that are particularly significant;
- monitors the independence, adequacy, efficiency and effectiveness of the Internal Audit department;
- may request that the Internal Audit department review specific operational areas, giving simultaneous notice to the Chair of the Board of Statutory Auditors;
- reports to the Board of Directors, at least every six months, on the occasion of the approval of the annual and half-year financial reports, on the activity carried out, as well as on the adequacy of the internal control and risk management system.

The Committee also informs the Board of Directors of its opinion on:

- the definition (by the BoD) of the broad policies of the internal control and risk management system in such a way that the principal risks pertinent to the Company and the companies it controls are correctly identified, and adequately measured, managed and monitored, also determining the degree of compatibility of such risks with a business management that is coherent with the strategic objectives identified;
- the periodic assessment (by the BoD), at yearly intervals at least, of the adequacy of the internal control and risk management system in relation to the characteristics of the business and the assumed risk profile, as well as its effectiveness;
- the approval (by the BoD), at yearly intervals at least, of plan of work drawn up by the Head of the Internal Audit department, having obtained the opinion of the Board of Statutory Auditors and the Director in charge of the internal control and risk management system;
- the description (by the BoD), in the report on corporate governance, of the principal characteristics of the internal control and risk management system, expressing its assessment of the adequacy of said system;
- the assessment (by the BoD), after having obtained the opinion of the Board of Statutory Auditors, of the results set out by the external auditor in its letter of suggestions, if any, and in its report on the fundamental issues that emerged during the external audit;
- the nomination and revocation (by the BoD) of the Head of Internal Audit; the adequacy of the resources which are available to the Head of the Internal Audit function to perform the duties assigned; the definition (by the Board of Directors) of the remuneration of the Head of Internal Audit in line with company policies.

It is specified that the Control and Risk Committee in office during the previous term of office also held the role of the Related Party Committee, in keeping with the procedure adopted by the Company which came into effect on 1 January 2019; therefore it was the duty of the aforementioned Committee, until 31 March 2020, to issue an opinion on the related party transactions of lesser and greater importance.

Following the appointment of the new Board of Directors which, at the meeting on 23 April 2020, established an ad hoc committee named the Related Party Committee and reviewed the corporate procedure for carrying out related party transactions, the Control and Risk Committee no longer performs these duties.

In 2020, the Control and Risk Committee in office until 31 March 2020 met 5 times, and at 3 of said meetings it also acted as the Related Party Committee; after the appointment of the new Committee, it met 8 times; of the 13 meetings held overall, 11 were held jointly with the Board of Statutory Auditors.

The average duration of meetings was approximately two hours and forty minutes and the percentage attendance was approximately 95%.

The Board of Statutory Auditors attended all the meetings through the participation of at least its Chairman for meetings not held jointly and all the members for the joint meetings.

The activities carried out by the Committee in 2020 (and up until the date of this Report) include, *inter alia*: the analysis of reports by the Audit Department, acquiring assessments of the internal control and risk management system; continuous monitoring of the state of progress of the 2020 Audit Plan and in-depth analyses of the results of the audits already concluded, also holding meetings with the management involved in producing the action plans; the analysis of the implementation of some corporate processes, subject to in-depth review following the merger of Vodafone Towers into Inwit, such as Enterprise Resource Planning (ERP), Enterprise Risk Management 2020 (ERM) and the compliance model pursuant to law 262/2005, further analysing the most critical aspects; the analysis of amendments to the Organisational Model 231/2001 and the whistleblowing procedure.

The Committee issued an opinion on the amendments to the 2020 MBO scorecard of the Head of Audit resulting from the redefinition of the Company's 2020 remuneration policy, to take into account the new organisational and corporate structure of INWIT after the efficiency of the merger with Vodafone Towers.

The Committee also issued opinions on the 2021 Audit Plan, the supply of audit services to the company identified following the specific tender, and the updating of the impairment test procedure.

The Committee met the representatives of the independent auditor to receive information on the relative activities in view of the approval of the financial reports for the period.

The Committee had access to the necessary information and corporate departments for performing its tasks; it was able to ask the control departments to carry out checks of specific operational areas and may engage external consultants of its choice, at the Company's expense and within the limits of the corporate budget or with the prior approval of the Board of Directors.

For 2021, the Committee has planned to hold 10 meetings; as of the date of this Report 3 meetings have been held (all jointly with the Board of Statutory Auditors), which were attended by all members.

10. RELATED PARTIES COMMITTEE

Composition and functioning

On 23 April 2020, the Board of Directors decided to set up a Related Party Committee, setting the number of members as three, all independent directors (Ms Ravera, Ms Passeggio, Ms Cossellu) and identifying Ms Ravera as the Committee Chairman.

Following the resignation of Ms Passeggio (see paragraph 4.2), the Committee was integrated, on 2 October 2020, with the appointment of the independent director Mr Rosario Mazza.

The Committee's operating procedures and its acknowledged prerogatives are governed not only by the corporate Procedure for related party transactions (hereinafter the "RPT Procedure"), but also by specific regulations approved by the Board of Directors (documents available for consultation in the Governance section of the website www.inwit.it).

The Committee (whose meetings are attended by the Chairman of the Board of Statutory Auditors or any other Statutory Auditor named by said Chairman, without prejudice to the possibility for all Statutory Auditors to attend) has the right to access the information and company departments necessary to carry out its tasks. It makes use of Company's departments or external consultants of its choice, at the Company's expense, within the limits of the company budget or with the prior approval of the Board of Directors.

Functions and activities performed

The Committee is tasked with issuing opinions on related party transactions of lesser and greater importance, as per the Consob Related Party Regulations and the RPT Procedure.

Since it was established (23 April 2020) the Committee has held 11 meetings, for an average duration per meeting of 1 hour 40 minutes, with a participation rate of almost 100% (only one meeting was not attended by one member).

Over the course of 2020, the Committee analysed and issued opinions on specific transactions; it acquired the quarterly reports prepared by the Compliance department, in accordance with the internal procedure for carrying out related party transactions, verifying exact compliance.

In 2021, 3 meetings were held with the participation of all the members.

For 2021, 10 meetings are planned, allowing for the possibility of organizing additional meetings depending on the operational requirements.

11. SUSTAINABILITY COMMITTEE

Composition and functioning

On 23 April 2020, the Board of Directors resolved to establish the Sustainability Committee, setting the number of members as five, all non-executive directors, with 2 independent directors (Ms Cavatorta, Ms Di

Bartolomeo, Mr Nardello, Mr Rocchio, Mr Valsecchi), and identifying Ms Cavatorta as the Committee Chairman.

Following the resignation of Mr Nardello (see paragraph 4.2), on 2 October 2020 the Board of Directors appointed Giovanna Bellezza (non-executive director).

The Committee members, as laid down in the regulations approved by the Board of Directors, have adequate skills for the tasks they are called on to carry out, for instance in matters regarding corporate sustainability, technology, organisational strategies and corporate finance.

The Committee's operating procedures and the prerogatives acknowledged to it are governed by regulations.

The Chairman of the Board of Statutory Auditors, or another Statutory Auditor designated on each occasion by said Chairman, takes part in the proceedings of the Committee. Without prejudice to the right of the other Statutory Auditors to take part in the Meeting. The Committee, with reference to the single items on the agenda, can also invite management representatives, consultants or other individuals to take part in the meeting.

The Committee shall have the right of access to the necessary information and company departments needed to carry out its duties. It makes use of Company's departments or external consultants of its choice, at the Company's expense, within the limits of the company budget or with the prior approval of the Board of Directors.

Functions and activities performed

The Committee carries out the duties pertaining to fact-finding, making proposals and providing consultancy attributed to it by the Corporate Governance Principles; in particular:

- it monitors compliance with corporate social responsibility rules, as well as the evolution of legislation and national and international best practices on the subject;
- it makes proposals to the Board of Directors regarding sustainability strategies and the sustainability Plan, monitoring their implementation on the basis of the objectives set in the Plan itself and assesses whether they should be updated at the end of each financial year;
- it monitors the consistency of Inwit's objectives and management with environmental, social and corporate sustainability criteria (ESG), as well as sustainable finance initiatives, the Company's positioning in sustainability indexes and the non-profit strategies of the Company.

Since it was established (23 April 2020) the Committee has held 6 meetings, with an average duration of around 2 hours and a participation rate of 100%.

In 2021, 7 meetings are planned and, as of the date of this Report, 2 meetings have been held.

The Committee's activities include, *inter alia*: checking the state of progress of the 2020 Sustainability Plan and the updating of the Sustainability Plan; participation in the definition of the materiality matrix for the purposes of non-financial reporting and the structure of the integrated sustainability report with the NFS; identifying the sustainability objectives proposed to the Nomination and Remuneration Committee for

inclusion in the 2021 MBO scorecard of the Chief Executive Officer and in the second cycle of the share ownership incentive plan.

The Committee, also with the support of external consultants, held an interactive induction session on sustainability matters with reference both to the development lines now found in large international companies, in the institutional context and in the Investors market, and with reference to the company's commitment to ESG issues.

12. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Organisational structure and configuration

The internal control and risk management system (hereafter, for brevity: the Internal Control System) is organised and operates according to the principles and criteria set out in the Corporate Governance Code of Borsa Italiana. It is an integral part of the general organisational structure of the Company and involves several components that act in a coordinated way according to their respective responsibilities – the responsibility of the Board of Directors to direct and provide strategic supervision, the responsibility of the Chief Executive Officer and management to monitor and manage, the responsibility of the Control and risk Committee and the Head of the Audit department to overview and provide support to the Board of Directors, and the supervisory responsibilities of the Board of Statutory Auditors.

An effective internal control and risk management system contributes to ensuring, *inter alia*, the reliability of all information (not just financial information) supplied to the company bodies and to the market.

In particular, the internal control and risk management system consists of set of rules, procedures and organisational structures that, through a process of identifying, measuring, managing and monitoring the principal risks, allows the sound, fair and consistent operation of the company in line with the pre-established objectives. As such this process is aimed at pursuing the values of both procedural and substantial fairness, transparency and accountability, which are considered key factors for managing Inwit's business, in compliance with the Code of Ethics and Conduct and the Company's Corporate Governance Principles (both of which can be found on the website www.inwit.it, 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, as the body responsible for the internal control and risk management system, defines the guidelines of the system, verifying its adequacy, effectiveness and proper functioning, so that the main corporate risks (including, among others, operational, compliance-related, economic and financial risks) are properly identified and managed over time.

In carrying out its evaluation with respect to 2020, the Board endorsed the opinion expressed by the Control and Risk Committee, which considered the current structure of the internal controls and the system operation

methods substantially adequate for the characteristics of the Company. The Committee recommended that management ensures full commitment to the monitoring of the company's Top Risks identified at the end of the 2020 ERM analyses.

Enterprise Risk Management

Inwit has its own risk management system, defined on the basis of reference best practices, which aims to ensure – through a process of identifying, measuring, managing and monitoring the main risks – the sound, fair and consistent operation of the company in line with the pre-established objectives, in compliance with the Code of Ethics and the Company's Corporate Governance Principles approved by the Board of Directors.

In this regard, the Company has adopted a dedicated Enterprise Risk Management Framework (hereinafter ERM), the purpose of which is to identify and assess any potential events that, should they occur, could affect the achievement of the main company objectives defined in the Strategic Plan. This Framework provides a unitary and updated framework of the risk exposure, thereby permitting conscious risk management and promoting the development of synergies between the different parties involved in assessing the Internal Control System, also thanks to the adoption of unitary risk assessment methodologies and metrics. A distinct aspect of Inwit's ERM Framework is the focus on the relationship between the process of identifying and assessing the risks and the industrial planning process, particularly in proposing the level of risk acceptable to Inwit as well as its distribution in the acceptable levels of deviation from the principle corporate objectives.

Inwit's ERM Framework is a cyclical process – carried out annually – broken down into the following phases:

Risk Identification

This phase includes the definition of the Risk Universe, understood as a complete list of the risks that could impact the Company in terms of the achievement of objectives and/or the development of business activities and the relative classification based on specific reference categories. The Risk Universe is defined on the basis of the information contained in the Strategic Plan and in the Financial Report and takes into account Risk Assessment and Risk Analysis evidence relating to previous financial years as well as the results of the benchmarking analyses performed on the reference sector and on comparable peers. The risks included in the Risk Universe are classified on the basis of 4 reference categories:

- *Strategic Risks*: risks linked to structural changes to the technological, economic and competition scenario that could impact achievement of the long-term objectives;
- *Operating Risks*: risks linked to failure to achieve the operating, commercial, communication, technical (e.g. delivery, security, ICT) and HR objectives;
- *Financial Risks*: risks that affect the company's liquidity and/or linked to the balance between incoming and outgoing cash flows;
- *Legal & Compliance Risks*: risks linked to failure to comply with laws and regulations concerning the regulatory field, finance, security in the workplace, IT security and employment law.

Risk Evaluation

Following an initial exercise to streamline and fine tune the Risk Universe, carried out taking account of the criteria of applicability³ and the minimum importance⁴ of the risks, the reference Framework provides for the assessment of the risks identified on the basis of a methodological approach broken down into the following steps:

1. Risk assessment at **inherent level**, by means of each risk owner indicating, for the risks within their remit, the level of impact and probability of occurrence assuming the absence of control measures, on the basis of drivers and defined assessment metrics.
2. Based on the combination of probability and impact for each risk in the Risk Universe, positioning of the risks in the **Inherent Risk Heat Map** (*matrix 4*4 of impact and inherent probability*) and selection of the **TOP Inherent Risks**.
3. Performance of **Risk Analysis on the TOP Inherent Risks that have an impact on the objectives of the Plan**, through quantification of the risk (*sensitivity*) and determination of the expected impact for each single year and cumulative on the EBITDA variables and Free Cash Flow to Equity.
4. For the TOP inherent Risks identified, **assessment of the existing control safeguards** based on updated metrics and criteria and determination of the **Residual Risk assessment**, combining the impact and probability values following application of the reduction co-efficient.
5. **Selection of the TOP Residual Risks** based on the positioning in the residual risks matrix (impact*probability following application of the safeguards) and acceptability levels.

Risk Mitigation

Per each TOP Residual Risk determined during the Risk Evaluation phase, mitigation actions are identified (Action Plan) and summarised in a specific document for each TOP Risk (Action Plan Monitoring Sheet). In order to ensure correct monitoring (follow up) of the individual Action Plans, carried out quarterly, they are subsequently reported in an Action Plan monitoring file. These instruments guarantee:

- the assumption of responsibility by the Risk Owners in relation to actions agreed after the end of the Risk Assessment
- greater ease in mechanisms of escalation to Executive Directors for actions that are incomplete or that have significant delays.

Risk Reporting

Quarterly reporting for Management through the adoption of a standard reporting model for each issue developed as part of the Risk Management process and including evidence relating to the state of progress of the Action Plans.

Financial Reporting

³ Risk applicability assessment: whether the type of risk identified is suitable to represent a critical event or situation within the scope of the context specific to INWIT, taking into account the business sector and the current characteristics of the company.

⁴ Risk importance assessment: significance of the type of risk identified in light of the market and operating context of reference and evidence relating to the history and prospects of the manifestation of the risk.

Inwit is aware that financial reporting has a central role when building and maintaining positive relationships between the company and those it interacts with, contributing – in addition to the company performance – to create value for the shareholders.

Internal Control over Financial Reporting (hereinafter ICFR) is defined as the set of activities aimed at identifying and assessing the actions or events whose occurrence or absence could partly or completely compromise achievement of the trustworthiness⁵, accuracy⁶, reliability⁷ and promptness⁸ of the financial reporting.

For that purpose, Inwit uses a regulatory/documentary system including accounting principles, administrative and accounting procedures, guidelines, operation instructions, accounting manuals and a chart of accounts, intended to guarantee the correct drafting of the financial statements.

Also in order to ensure compliance with Law 262 of 28 December 2005 “*Provisions for the protection of savings and regulation of financial markets*” (hereinafter “Law 262/2005”), Inwit established a specific internal control system to govern the financial reporting process, defined in keeping with the principles issued by the “Committee of Sponsoring Organizations of the Treadway Commission” - CoSO Report and, for IT aspects, by “Control Objectives for Information and related Technology” – COBIT.

The Internal Control over Financial Reporting adopted by Inwit is based on monitoring and checking the following control components:

- **Process Level Controls** (hereinafter also PLC): controls that operate at process level, carried out through human intervention and/or directly by IT applications that implement it or support it;
- **IT General Controls** (hereinafter also ITGC): controls on the information system(s) in preparation for management of the accounting information;
- **Entity Level Controls** (hereinafter also ELC): cross-checks that operate at entity level and that support, albeit indirectly, the adequacy of the accounting information. They have a permeating impact on the efficiency of the controls at the process, trading or application level.

In this regard, Inwit has defined regulations and adopted methodologies, with the aim of establishing and maintaining a robust and structured process for assessing and ensuring the efficiency of Internal Control over Financial Reporting.

The process starts with the definition of data and information deemed significant for identifying the processes and control activities on which to focus the subsequent analyses. The significant data and information is identified with reference to the financial statements for the year and is based on an assessment of the qualitative and quantitative aspects pertaining to the selection of significant accounts and processes, in addition to the identification of the systems in scope in preparation for the management of administrative

⁵Trustworthiness (of the reporting): reports that are correct and comply with the generally accepted accounting principles and with the requirements of the applicable laws and regulations.

⁶Accuracy (of the reporting): reports that are neutral and precise. Financial reports are considered neutral if they do not contain pre-conceived distortions aimed to influence the decision-making process of its users in order to obtain a specific result.

⁷Reliability (of the reporting): reporting that is so clear and complete that investors can make informed and aware investment decisions. Reporting is considered clear if it simplifies the understanding of complex aspects of the Company, without being excessive and pointless.

⁸Promptness (of the reporting): reports that comply with due dates set for its release.

accounting processes. In order to define the quantities considered significant for the purpose of compliance with Law 262/05, an approach (widespread at international level) defined by the Public Company Accounting Oversight Board (PCAOB) in the document “Auditing Standard n. 5” is used. On the basis of this approach, “scoping” is carried out half-yearly and based on the values of the financial statements for the previous year/half-year as soon as they are available, defining:

- **Significant accounts**, namely the quantitative dimension that financial statement items must have to be considered “significant”;
- **Significant processes**, namely processes for which it is thought necessary to assess the efficiency of the ICFR;
- **Relevant IT systems**, namely the applications supporting administrative-accounting activities to be considered during the verification phase.

On the basis of the scoping and the processes identified as relevant, an update is carried out on the mapping of the standard risks⁹ and general control objectives¹⁰, achievement of which could be invalidated due to potential¹¹ unintentional errors or frauds¹².

The half-yearly frequency of this mapping allows the new risks inherent in the financial reporting, deriving from the evolution of exogenous or endogenous factors such as market and competition, internal organisation, IT systems, to be taken into account.

The process continues with a more operational phase that involves determining/updating the controls for the risks identified. In particular, this activity consists of determining/updating the design of the controls on the basis of operating practices in use in order to review, amend or integrate, into the description of the same, any changes made at organisational, process or verification level, as well as to ensure coverage of the risks and of the relative control objectives, identified as important on the basis of the scoping process. The updating of the control mapping takes on specific connotations on the basis of the type of control component of the Model analysed. Specifically, it occurs in the updating of:

- the controls included in the Risk Control Matrices of the PLC. These activities are carried out half-yearly for processes in scope by the relevant control owners, before the start of testing and in compliance with the timing set out in the schedule of activities, or each time it is necessary following substantial amendments that have occurred at process or risk level and related control objectives.
- the controls included in the ELC Checklists or in the Risk Control Matrices of the ITGC, at least every three years, on the basis of the risks and control objectives identified in the previous process phase, considering the components of the CoSO and COBIT reference Frameworks, or each time significant changes occur that would require the aforementioned Matrices to be updated. The next phase is the assessment of

⁹Risk: potential event that may impair the achievement of goals related to the control system on financial reporting (the System), that is to say, accuracy, reliability, trustworthiness and promptness goals of the financial information.

¹⁰Control goals: set of goals that the System aims to achieve in order to assure a truthful and correct representation of the Financial Reporting. Such goals consist of “financial statement affirmations” (existence and occurrence, completeness, rights and obligations, assessment and registration, presentation and reporting) and of “other control goals” such as compliance of authorisation limits, separation of incompatible duties, controls on physical safety and the existence of assets).

¹¹Error: in relation to the System, any unintentional act or omission that results in a misleading declaration in the financial reporting.

¹²Fraud: in relation to the System, any intentional act or omission that results in a misleading declaration in the financial reporting.

the controls against the specific risks identified, which is carried out through specific tests, aimed at checking the design, efficiency and operational effectiveness of the controls in place envisaged in the Internal Control over Financial Reporting.

It is specified that:

- the assessment of the design consists of checking that the control has been adequately designed to prevent / manage in a timely manner material errors/frauds on significant accounts/disclosures at financial statement level;
- the assessment of operation consists of checking that the controls have been carried out systematically during the period subject to certification;
- the assessment of the efficiency of the controls consists of checking, by means of specific tests, that the control operates according to the methods/frequencies stated and that therefore the relative control objective is covered.

These checks are made by carrying out the following types of activities:

- Process Level Control Tests: carried out through a Test of Design (ToD) and Test of effectiveness (ToE) on a half-yearly basis, following rotation or full testing logics, nonetheless ensuring coverage of the entire set of controls in scope in the period corresponding to the financial year. These checks concern a subset of selected controls, referred to as “Key Controls”, considered to be more effective and, effectiveness being equal, more efficient at reducing the monitored risks to an acceptable level.
- IT General Control Tests: ITGC tests, carried out once a year as per best practices, check that the organisation of the ICT internal control system, in relation to the IT systems supporting the administrative-accounting procedures, complies with the requirements identified in the control objectives. The methodological approach followed for carrying out IT General Controls involves testing a set of controls selected on the basis of the CobiT international framework.
- Entity Level Control Tests: ELC tests, carried out once a year as per best practices, aim to identify any shortcomings of the structural controls at Legal Entity level that would also make better structuring of the controls to monitor the processes potentially ineffective. In this context, the analysis (identification of risks, risks assessment, identification of controls, etc.) is structured according to the components of the CoSO Framework of reference. The elements to be considered for the analysis are, for example, the corporate governance system, the company regulatory system, the communication of the responsibility related to the internal control system, risk assessment management mode, etc. In particular, the ELC tests aim to check that the organisation of the internal control system complies with the requirements identified in the control objectives.

On the basis of the results that emerged from the testing, in terms of both design and operation, and the efficiency of the control, a remediation plan is identified which sets out, for each shortcoming detected, the relative action plan, implementation times and ownership of the activity. The remediation plans are shared with the line management, the heads of departments and sent to the Executive responsible and are subject to periodic monitoring (at least quarterly) on the state of progress of the corrective actions (follow-up

activities) through consultation with the company's management involved in respect of the deadlines set. For the most significant shortcomings that could have a considerable impact on the Financial Reporting, the timely implementation of corrective actions and their completion is required in accordance with the issuing of the certification letter on the Financial Statements.

At the end of the conclusive phase of the monitoring the summary of the problems and anomalies detected is updated to include all the design shortcomings of controls for which the corrective action identified has not been implemented in time, and all the operating efficiency shortcomings of the potentially adequate controls.

The assessment of the impact of the significant problems on the adequacy and/or effective application of the administrative accounting procedures takes into consideration:

- the impact determined on the basis of the value of the associated balance sheet account and/or the other qualitative considerations;
- the presence of compensatory controls (tested and actually applied) to monitor the risk itself and capable of mitigating the impact;
- the assessment of the anomaly/problem, carried out together with any others that impact the same financial statement item or the same Component of the general Control environment.

The significance of the shortcoming detected is measured in the last analysis on the basis of comparison of the impact determined, net of the possible mitigation actions mentioned above, and the materiality, as calculated for the purpose of identifying the processes in scope (scoping).

The Executive Responsible on the basis of the results of the tests and any shortcomings detected provides an overall assessment of the adequacy of the internal control over financial reporting in the annual and half-year financial report. Specifically, this assessment is summarised in the certification letter drawn up pursuant to article 154-bis CLF (pursuant to Law 262/2005).

The Executive Responsible periodically brings the findings of the assessment process described above (and in particular, any control shortcomings deemed significant/material in terms of potential impact of error/fraud on the financial reporting) to the attention of the Control and Risk Committee and the Board of Statutory Auditors of the Company. It also presents a summary of the activities carried out to date, at each of its meetings.

The certification process is guided by Inwit's "Operating Manual for managing activities in compliance with Law 262/05," a document that describes the procedures for managing and updating Internal Control over Financial Reporting (ICFR) as well as the operating procedures for carrying out the testing and the guidelines for managing compliance and monitoring activities for the purpose of the certifications required by current legislation.

In relation to the periodic certification drawn up pursuant to article 154-bis CLF (pursuant to Law 262/2005), the Executive Responsible maintains final responsibility for the entire process and has direct responsibility, also through the relevant company departments, for periodically defining the scope of application of the reference legislation, assessing the design, operation and effectiveness of the controls, the final and overall

assessment of the internal control over financial reporting and managing relations with the independent auditor. Through the relevant control owners, the management is responsible for identifying and periodically updating the controls against the risks identified, and consequently for management of the control shortcomings, as well as for execution of the remedial plans needed to overcome them.

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

The institution and maintenance of the internal control system are assigned to the Chief Executive Officer and to the Executive responsible for preparing the corporate accounting documents for this field of competence, so as to ensure the overall adequacy of the system and its practical functionality, in a risk-based perspective, which is also taken into account in determining the agenda for the Board's proceedings.

The Chief Executive Officer oversees in the context of the ERM process the identification of the major company risks (strategic, operational, financial and compliance) in the operational areas covered by his powers, taking account of the characteristics of the activities undertaken by the Company. He implements the guidelines defined by the Board, overseeing the design, creation and management of the internal control and risk management system and constantly checking the system's adequacy and efficacy. He reports on issues and critical points that emerge during the execution of their activities to the Board of Directors. He may also ask the Audit department to carry out audits on specific operational areas and on compliance with the internal rules and procedures in the execution of the company operations, giving simultaneous notice to the Chair of the Board of Directors, and the Chairs of the Control and Risk Committee and the Board of Statutory Auditors.

12.2 Head of Audit Department

Pursuant to the Corporate Governance Principles that the Company has adopted, in exercising the responsibility of the Board of Directors for the internal control and risk management system, the Board, in addition to the Control and risk Committee, also involves the Head of the Audit Department, a manager with organisational independence and suitable and sufficient resources to perform this duty. The latter is responsible for supporting the management and control boards in assessing the adequacy and effectiveness of the Internal Control System and consequently to propose corrective measures in case of anomalies and malfunctions.

In particular, in accordance with the provisions of the Corporate Governance Code of Borsa Italiana, the Head of the Audit Department:

- 1) verifies, both on a continuous basis and in relation to special needs, in conformity with international standards, the adequacy and effective functioning of the Internal control and risk management system, through an audit plan approved by the Board of Directors, based on a structured analysis and ranking 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 adequacy of the Internal control and risk management system with regard to the processes examined;
- 5) prepares timely reports on particularly significant events;
- 6) submits the reports indicated under items 4) and 5) to the chairs of the Board of Statutory Auditors and Control and Risk Committee and to the Chair of the Board of Directors and Chief Executive Officer, as the director in charge of 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 Department executes its mandate by providing the following services:

- assurance, through interventions to assess the governance, risk management and control processes of the organisation (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 Department also acts as guarantor that the principles and values expressed in the Code of Ethics and Conduct are respected. To do this, it oversees the receipt, analysis and handling of reports (“whistleblowing”) of conduct, even omissive, not compliant with laws and regulations, in any case applicable to INWIT, as well as the systems of rules and procedures in place at the company, including the Code of Ethics and Conduct and the Organisational Model 231 as regards management of the process entrusted to the 231 Supervisory Body of which it is an internal member.

Complaints and reports received by the Board of Statutory Auditors also fall within the scope of whistleblowing. Reports can be made, also anonymously, by any employee, collaborator, consultant, work provider or third party that has business dealings with the Company.

The Audit department resorts to professional and financial resources consistent with its organisational mandate, in compliance with the requirements of independence, adequacy, efficiency and effectiveness of the department prescribed by Borsa Code.

The Head of the Audit Department promotes, develops and supports a quality improvement and assurance programme that covers all aspects of internal audit activities. The programme includes an assessment of compliance with the International Professional Practices Framework (IPPF) and the company internal audit procedures, and a continual assessment of the effectiveness and efficiency of its work, also with reference to best practice for the sector. In 2020, this assessment was made following the procedures laid down in the

Standards through continuous internal checks (supervision and quality control for each action carried out) and periodic checks (to this end, the 2019-20 Periodic Self-Assessment was completed, with assessments made through the models/check-lists defined by the Quality Manual of the IIA - Institute of Internal Auditors).

The Head of the Audit Department periodically reports to the Board of Directors, through the Control and Risk Committee, on the results of these assessments.

The initiatives to improve the professional framework of the Audit department include the participation of the Head of Audit in the meetings of the Control and Risk Committee regarding periodic financial reporting and risk assessment matters (ERM).

As permitted by the Corporate Governance Principles adopted by the Company and resolved by the Board of Directors with the approval of the Control and Risk Committee, the Audit Department, for the execution of its activities, engages a consultancy firm identified through a specific tender process.

12.3 Organisational model pursuant to Legislative Decree 231/2001

The internal control system is completed by the "Organisational Model 231", i.e. a model of organisation and management adopted pursuant to Legislative Decree No. 231/2001, aimed at preventing the perpetration of offences that can result in liability for the Company. This Organisational Model is comprised of:

- the Code of Ethics and Conduct, where the general principles (transparency, fairness, loyalty) that guide the Company in the organization and conduct of business are indicated;
- the "general principles of internal control", tools to provide a guarantee with regard to the objectives of efficiency and operational effectiveness, reliability of financial and management information, compliance with laws and regulations, and the safeguarding of the company's assets, including against possible fraud;
- the "principles of conduct", which consist of specific rules for relations with third parties and for all fulfilments and activities of a corporate nature, and
- the "internal control schemes" that describe business processes at risk of crime, any predicate offences relating to them, the preventive control activities and the behavioural indications aimed at avoiding the related risks.

The internal control schemes have been prepared in accordance with the following basic principles: (i) the separation of roles in undertaking the principal activities involved in business processes; (ii) the traceability of decisions, to allow for identification of specific points of responsibility and the motivations for the decisions themselves; and (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 Organisational Model is a dynamic instrument, which affects the corporate operation, which in turn must be constantly checked and updated in the light of feedback, as well as the evolution of the regulatory framework.

In 2020 the Organisational Model was updated on 30 July and 20 October 2020 to incorporate the regulatory changes regarding tax crimes, as well as those introduced by Legislative Decree no. 75 of 14 July 2020 implementing the PIF Directive (EU Directive of 5 July 2017) on the fight against fraud that harms the financial interests of the Union.

On 4 March 2021, the Board of Directors approved the Company's new Organisational Model, also taking into account, *inter alia*, the changed organisational structure, the update to the processes and the sensitive activities potentially exposed to the risk of crime, in compliance with recent legislative changes.

The Organisational Model incorporates, in terms of application, the predicate offences described in Legislative Decree 231/2001, except for those deemed as not directly pertinent to the Company and represents an integral part of the compliance program of reference for the application of anti-corruption legislation.

With reference to the Supervisory Body, up until 23 April 2020 the relative duties were attributed to the Board of Statutory Auditors, similarly to the approach adopted by the former Parent Company Telecom Italia; the Board of Directors appointed after the merger of Vodafone Towers into Inwit appointed a Supervisory Body as a panel (four members) and among them a member of the Board of Statutory Auditors and the head of the Audit department, as an internal member.

The Supervisory Body oversees the operation and observance of the Organisational Model and reports to the Board on the oversight and verification activities which it has performed and the corresponding outcomes. The Supervisory Body is supported in its work by the Legal & Corporate Affairs Department of the Company, which has the task of carrying out specific compliance actions, also based on evidence received through the information flows sent on a quarterly basis to the Supervisory Body by the Company's Departments.

In 2020 the Supervisory Body, in its new composition, held 7 meetings which were attended by all the members, and the average duration of the aforementioned meetings was around three hours (2 meetings were held in the previous composition).

The Supervisory Body presented its report on the activities carried out from May to December 2020 to the Board of Directors (at the meeting on 4 February 2021).

In 2021, 4 meetings had taken place by the date this Report was published.

The Legal & Corporate Affairs Department, in turn, engaged the support of the Compliance Department of Telecom Italia by virtue of a specific assignment for the provision of services.

The Governance section of the website www.inwit.it contains a summary section dedicated to the Company's Organisational Model 231. The anti-corruption policy of the TIM Group, which represents the systematic reference framework on the prohibition of corrupt practices, temporarily applies to INWIT.

12.4 Independent Auditor

The Shareholders' meeting held on 27 February 2015, on the basis of the proposal put forward by the Board of Statutory Auditors, conferred the office of External Auditor (of the individual financial statements of INWIT

S.p.A. and the limited audit of the abbreviated half-yearly financial statements) on PricewaterhouseCoopers S.p.A. (Hereinafter “PWC”) for the period 2015 – 2023.

The preparatory work prior to the conferment (or subsequent modifications) of the assignment to audit the financial statements of Inwit is coordinated by the CFO (who is also the executive responsible for preparing the Company accounting documents) under the supervision of the Board of Statutory Auditors.

After in-depth preparatory work by the Board of Statutory Auditors, the Company adopted a new procedure containing guidelines for the conferment of assignments to the independent auditor (and/or its network), in that the previous work (prepared by TIM S.p.A. and also applied to its subsidiaries) referred to the share ownership structure prior to the integration of Vodafone and governed the conferment of assignments from the perspective of a sole group auditor.

The document describes the operating procedures, which the company departments concerned must comply with, relating to the process of selecting and appointing the independent auditor for the conferment of the appointment as external auditor and the awarding of assignments to the same concerning some types of services (Audit Services, Audit-Related Services, Non-Audit Services).

12.5 Executive responsible for preparing the corporate accounting documents

As per the Bylaws (Art. 18), it is the Board of Directors that nominates the responsible manager, after hearing the opinion of the Board of Statutory Auditors. Their attributes and powers are defined upon appointment.

The Board of Directors in office since 31 March 2020, taking into account the new organisational structure after the merger of Vodafone Towers into Inwit, appointed as Executive responsible for preparing the financial documents of INWIT Diego Galli, head of the Administration, Finance and Control & Business Support department (department renamed on the date of this Report Administration, Finance & Control) and Chief Financial Officer of the Company.

Insofar as, by law, responsible for the preparation of suitable administrative and accounting procedures to prepare the annual accounts and consolidated financial statements as well as any other financial communications, this role is recognised to have functional responsibility (organisational and by topic) for the internal controls for financial reporting. In relation to this area, the executive appointed is supported by the Chief Executive Officer, as well as by the Company's management.

The Executive responsible reports to the Board of Directors, the Control and Risk Committee and – for those matters within its competence – the Board of Statutory Auditors.

12.6 Coordination of subjects involved in the internal control and risk management system and other roles and company departments

The main subjects involved in the operation of the internal control system are:

1. the Board of Directors, which provides direction and periodic (annual) assessment of the system;

2. the Chief Executive Officer, as director charged with the establishment and maintenance of the system, in accordance with the guidelines defined by the full Board of Directors (see preceding paragraph 12.1);
3. the Control and Risk Committee, with the role of providing fact-finding support to the Board in relation to its internal control and risk management duties (see preceding Chapter 9);
4. the head of the Audit department, who supports the Board of Directors and whose mission, briefly, is to test the functioning and adequacy of the system (see preceding paragraph 12.2);
5. the executive responsible for the preparation of the company's accounting documents, appointed by the Board, with the competences provided for by law and rights defined in the specific internal regulations (see preceding paragraph 12.5);
6. the Board of Statutory Auditors which, borrowing the expression used in the Corporate Governance Code of Borsa Italiana, represents the top of the supervisory system.

The competences of the figures specified above correspond to those recommended by the Corporate Governance Code of Borsa Italiana, to which, on this matter, Inwit adheres without exceptions.

13. Interests of Directors and transactions with related parties

The company procedure for effecting transactions with related parties (the “Procedure”), drawn up in compliance with Consob Regulation no. 17221 of 12 March 2011, was adopted by the Board of Directors in its meeting on 18 May 2015, after hearing the favourable opinion of the Independent Directors, and became effective on the date trading started in the Company's Shares on the Electronic Share Market organised and managed by Borsa Italiana S.p.A. (i.e. 22 June 2015). Thereafter, the Procedure underwent significant updating with the board resolution of 11 December 2018 as a result of the in-depth investigation by the Control and Risk Committee and it entered into effect from 1 January 2019.

The Procedure was further amended on 23 April 2020 and 10 December 2020.

The main elements of the Procedure are set out below; for details, refer to the document published in the Governance section of the [website www.inwit.it](http://www.inwit.it).

Opinions on related party transactions of greater or lesser importance are expressed by the Related Party Committee.

In particular, the Procedure qualifies related party transactions as having greater importance when at least one of the relevance indexes – as defined in the Consob Regulations (equivalent-value relevance ratio, asset relevance ratio, liabilities relevance ratio) – exceeds the 5% threshold.

If the Related Party Committee expresses a negative opinion on the completion of a transaction of greater importance, the Board of Directors, where it does not wish to adapt to said opinion, may make performance of the transaction subject to the authorisation of the ordinary Shareholders' Meeting. The transaction may not be carried out if a majority of voting shareholders, other than the related shareholders, if any, vote against

the transaction, always provided that the shareholders who are not related shareholders present in the shareholders' meeting represent at least 10% of the share capital with voting rights.

The Procedure classifies the transactions into distinct categories on the basis of which to apply different validation and approval criteria. To this end, the Procedure makes a qualitative distinction between ordinary and non-ordinary transactions and also sets quali-quantitative criteria making a further distinction between transactions of “lesser importance,” “non-relevant” transactions and “excluded” transactions.

In accordance with the provisions of the Procedure, “ordinary transactions” are understood to be transactions “carried out in the course of ordinary business, generating costs and revenues, and related financial activities.” In considering whether or not a Transaction comes under the scope of ordinary business or related financial operations, the following elements may be considered: the subject of the transaction; the recurrence of the Transaction under the scope of the business of the company implementing it; the dimension of the Transaction; contractual terms and conditions applied, insofar as contractual clauses differ from custom and standard business practice may represent a significant indicator of an extraordinary nature; the nature of the counterparty and coherence of its characteristics with respect to the type of transaction implemented; the time of approval and completion of the Transaction”.

“Excluded Transactions” (in that they are excluded from application of the Procedure) are considered to be: “Small Amount Transactions” (i.e. with an equivalent-value of or lower than 50,000 euros); “Intra-Group Transactions” (i.e. with its own subsidiary companies, even jointly, or associates, or between subsidiary companies or associates of INWIT on the condition that there are no significant interests of other related parties of Inwit in the subsidiaries or its affiliates that are counterparties to the transaction); the resolutions of the Shareholders’ Meeting on the subject of remuneration, pursuant to art. 2389, subsections one and three, and article 2402 of the Italian Civil Code; the resolutions on the remuneration of Directors, Statutory Auditors and key management personnel that meet the requirements contained in the Consob Regulations; remuneration plans based on financial instruments approved by the Shareholders’ Meeting pursuant to art. 114-bis of Consolidated Law on Finance and the relative executive transactions; any further transactions which the Consob Regulation excludes from its sphere of application.

“Non-Relevant Transactions”, excluded from application of the Consob Regulation, are classified as ordinary transactions with a value between 50,001 euros and 1,500,000 euros, as long as they are concluded at conditions equivalent to the market or standard conditions.

The Procedure classifies all Transactions other than those of Greater Importance, Non-Relevant and Excluded as “Transactions of Lesser Importance”. Without prejudice to the need to comply with the obligations on inside information, the Procedure provides, “in partial derogation of the Consob Regulation, that the report on any Transactions of Lesser Importance approved and/or concluded despite the negative opinion of the Related Parties Committee shall be made as a rule within 15 days of its approval and/or conclusion, and in any event no more than 15 days after the end of the quarter of reference.”

Since July 2019, the related-party transactions process is supported by an IT application, through which each head of a company Department must report any related party transactions it intends to carry out, regardless of the amount.

Note that the Procedure, published on the website www.inwit.it, is currently being reviewed and adapted in light of the incorporation of EU Directive 2017/828 (Shareholders Rights 2) and the consequent amendments to the Related Party Regulations of Consob.

14. Appointment of Statutory Auditors

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

The appointment of the Board of Statutory Auditors shall be in compliance with the applicable laws and regulations on the basis of slates presented by shareholders. Each shareholder may present or participate in the presentation of one slate only and each candidate may appear on only one slate on pain of ineligibility.

Slates may only be submitted by shareholders who alone or together with other shareholders hold the number of shares representing the amount of the share capital established by the Consob regulations.

The slates are divided into two sections: one for candidates for the office of Standing Auditor and the other for candidates for the office of Alternate Auditor. Slates that in either or both sections contain a number of candidates equal to or greater than three must be composed of candidates belonging to both genders, so as to allow the appointment of a Board of Statutory Auditors, in accordance with the provisions of these Bylaws, complying with the current regulations on gender balance.

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 shall be elected as specified below:

1) if, as a result of voting, there is only one or there is no Qualified Slate (i.e., any slate that has obtained a number of votes representing more than 25% of the Company's share capital with voting rights), (i) from the slate which has obtained the highest number of votes, 2 Standing Auditors and 1 Alternate Auditor shall be chosen in the order in which they are listed on the slate and (ii) from the second slate that received the most votes, 1 Standing Auditor and 1 Alternate Auditor shall be chosen in the order specified therein;

2) if, as a result of voting, there are two Qualified Slates and neither of these Qualified Slates has obtained a number of votes representing more than 50% of the voting capital of the Company, (i) from each Qualified Slate, 1 Standing Auditor and 1 Alternate Auditor shall be chosen in the order specified therein and (ii) from the third slate that received the most votes, 1 Standing Auditor shall be chosen in the order specified therein;

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

4) if, as a result of voting, there are three Qualified Slates, (i) from the Qualified Slate that received the most votes, 1 Standing Auditor and 1 Alternate Auditor shall be chosen, (ii) from the second Qualified Slate that received the most votes, 1 Standing Auditor and 1 Alternate Auditor shall be chosen, and (iii) from the third Qualified Slate, 1 Standing Auditor shall be chosen.

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

The standing auditor chosen from the slate that received the fewest votes is appointed as Chairman of the Board of Statutory Auditors.

In appointing Statutory Auditors who for any reason have not been appointed pursuant to the procedure specified above, the Shareholders' Meeting shall vote on the basis of the majorities required by law, ensuring compliance with the requirements of the law and the Bylaws regarding the composition of the board and the category of Alternate Auditors.

In the event that a Statutory Auditor chosen from a slate should cease to serve, as applicable and without prejudice to the requirements of the law and bylaws on the composition of the company body, the alternate auditor from the same slate from which the Statutory Auditor that has ceased to serve was chosen shall take his/her place. The appointment of Statutory Auditors to fill vacancies on the Board of Statutory Auditors pursuant to Article 2401 of the Italian Civil Code shall be approved by the Shareholders' Meeting with the absolute majority of those voting and in any case in compliance with the requirements of law and of the bylaws.

After notifying the Chair of the Board of Directors, the Board of Statutory Auditors, may call, as provided for by law, a Shareholders' Meeting or a meeting of the Board of Directors or the Executive Committee. This power to call meetings may be exercised individually by each Statutory Auditor, except for the power to call a Shareholders' Meeting, which must be exercised by at least two Statutory Auditors.

15. Composition and operation of the Board of Statutory Auditors

The Shareholders' Meeting of 13 April 2018 appointed the Board of Statutory Auditors for the three-year period 2018-2019-2020; on the basis of the slates submitted by shareholders the following were appointed pursuant to the bylaws:

- from the slate submitted by the shareholder Telecom Italia S.p.A., which obtained the highest number of votes with 71.75%, the Standing Auditors Umberto La Commara and Michela Zeme, and the Alternate Auditor Elisa Menicucci;

- from the other slate submitted by a group of Savings Management Companies and international investors (“minority slate”), the Standing Auditor Stefano Sarubbi and the Alternate Auditor Roberto Cassader.

Moreover, pursuant to the Bylaws, Stefano Sarubbi, selected from the minority slate, was elected Chair of the Board of Statutory Auditors.

On 13 April 2018, the Shareholders’ Meeting also established their annual fees as 50,000 euros for each Standing Auditor and 70,000 euros for the Chair of the Board of Statutory Auditors, including the fee for carrying out the functions of Supervisory Body pursuant to Legislative Decree 231/2001. The Board of Statutory Auditors, as assigned by the Board of Directors, performed the functions of the Supervisory Body, pursuant to Legislative Decree 231/2001, up until the early expiry of the Board of Directors.

On 23 April 2020, the new Board of Directors appointed, effective as of 5 May 2020 and up until approval of the financial statements for the year ending 31 December 2022, a Supervisory Body, separate from the Board of Statutory Auditors (see paragraph 12.3).

The *curricula vitae* of the members of the control body are available on the website www.inwit.it.

The three-year term of office of the Board of Statutory Auditors ended on 31 December 2020 and therefore the Shareholders’ Meeting called for 20 April 2021 is called on to appoint the new Board of Statutory Auditors.

In 2020 the Board of Statutory Auditors carried out the typical supervisory activities specified in Italian law, verifying that the Company’s transactions of major impact on its revenues, finances and assets were carried out in accordance with the law, the Bylaws and the principles of correct administration, checking that the self-regulation procedures and principles adopted for the execution of transactions with related parties were respected, and that such transactions were aligned with the interests of the company, ensuring that the principles of correct administration were respected and the organisational structure of the business was adequate. The Board also supervised the adequacy of the internal control system and the adequacy of the administrative and accounting system of the Company, and the reliability of the latter to correctly represent the actions of the management.

The Board of Statutory Auditors monitored the independence of the independent auditor, checking both that the applicable provisions were respected and the nature and entity of the non-audit services provided to Inwit by PricewaterhouseCoopers S.p.A. and entities in its network.

For detailed information on the activities performed by the Board of Statutory Auditors refer to the Board of Statutory Auditors’ Report to the Shareholders’ Meeting prepared pursuant to article 153 of the CLF.

At the meeting on 17 February 2021 the Board of Statutory Auditors checked whether its members still hold the independence requirements pursuant to art. 148, subsection 3, of the CLF and those laid down in the Corporate Governance Code of Borsa Italiana, also checking, pursuant to Legislative Decree no. 39/2021 whether as a whole they possess expertise in the sector in which the Company operates. The Board of Statutory Auditors carried out a self-assessment process, engaging the support of the consulting firm Russell Reynolds. The Board of Statutory Auditors reported to the Board of Directors at the meeting on 4 March 2021 on the outcome of the self-assessment process, which is markedly positive in terms of the quali-quantitative

profile and effective functioning, thanks to clear operating equilibriums and harmony in the methods of dialogue between its members.

Again within the context of the self-assessment and given the complexity and future evolution of the corporate context, the Board of Statutory Auditors recommended adequate continuity with this term of office in the composition of the new board, as well as, for the new figures to be appointed, a high level of professionalism, possibly with experience acquired in listed companies, in similar sectors and with significant complexity in terms of both management and governance and enough time to dedicate to a very demanding and complex assignment.

In 2020, there were 29 meetings of the Board of Statutory Auditors (11 of which were entirely or partly held jointly with the Control and Risk Committee). The average duration of the meetings was approximately two hours and ten minutes (excluding joint ones). The percentage of attendance was 100%.

In 2020 (up until the appointment of the separate Supervisory Body), the Board of Statutory Auditors held 2 specific meetings as the Supervisory Body; the average duration of the aforementioned meetings was approximately one hour and fifty minutes.

In 2021, at the date of approval of this Report, 4 meetings of the Board of Statutory Auditors had been held, in addition to 3 meetings held jointly with the Control and Risk Committee.

Table 3 presents information on the composition of the Board of Statutory Auditors.

Diversity policies

The section of the company bylaws regarding the appointment of the Board of Statutory Auditors took account of the regulatory provisions that require the company to reserve a set quota of members to the less represented gender. However, aware that in the composition of corporate bodies gender diversity represents an opportunity and a value, the Bylaws of the Company adopted in view of its listing provided that the predetermined quota of members of the Board of Directors and of the Board of Statutory Auditors should be reserved to the less represented gender and apply permanently instead of – as provided for by law – limited to just three terms of office.

The Bylaws amended by the Board of Directors on 6 February 2020 in this regard refers to the regulations in force at the time; on the amendments to the Bylaws see paragraph 4.

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

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

16. SHAREHOLDER RELATIONS

Within INWIT S.p.A., reporting to the Chief Financial Officer, a manager has been appointed to manage relations with the financial community and with all the shareholders (Investor Relations Manager). The Investor Relations department develops and manages relations with investors and equity analysts. The financial disclosure programme had planned numerous events in 2020 with national and international investors: conference calls on the results, Roadshows abroad, meetings at the offices of INWIT and participation in sector conferences with investors of INWIT and potential investors were organised. Over 700 investors were reached over the course of 2020, with the aim of expanding the investor base in the largest international financial centres. In 2020, with the exception of January, due to the pandemic all meetings were held virtually through conference calls, video conferences and direct telephone calls.

Furthermore, Inwit has created a specific easy to find and easy to access section of its website on which it makes available information on the Company that is of importance to shareholders, to allow them to exercise their rights in an informed way. The information was published in both Italian and English in order to ensure equality of access to the information for all investors, both national and foreign.

The references for investors within Inwit are:

Inwit S.p.A. – *Investor Relations*

Via Gaetano Negri, 1 - 20123 MILAN

E-mail: ir@inwit.it

17. Shareholders' Meetings

Pursuant to law, the shareholders entitled to attend the Meeting and to vote are those for whom the reference intermediary sent the Company specific communication certifying such right at the record date (seventh working day prior to the meeting first call). Those who are holders of shares only after such date will not be entitled to attend the Meeting and vote.

Ordinary shareholders may be represented, by giving a proxy to a physical or legal person, including the representative designated by the Company, if appointed (the decision is to be taken by the Board of Directors, at the time of calling the meeting). The Board of Directors also has the option of allowing electronic voting, specifying the procedure in the notice convening the meeting.

The Board of Directors shall use its best endeavours to ensure that Shareholders have adequate information about the elements necessary for taking decisions within the competence of the Shareholders' meeting, with full knowledge of the facts.

The ordinary Shareholders' Meeting shall resolve on the matters specified by law and authorise the execution of transactions with parties related to the Company, in those cases and by those methods provided in the pertinent procedure adopted by the Board of Directors pursuant to current law.

In accordance with Art. 2365, second subsection of the Italian Civil Code, the bylaws also establish that the powers contained therein are removed from the shareholders' meeting and assigned to the Board of Directors.

Three Shareholders' Meetings were held in 2020: 5 Directors out of 11 attended the meeting on 20 March; 11 and 8 Directors respectively attended the meetings on 6 April and 28 July 2020, out of a total of 13 Directors in office.

Note that the Shareholders' Meetings of 6 April and 28 July 2020 were carried out with the methods permitted by Law Decree no. 18/2020, which introduced some exceptional rules linked to the COVID-19 emergency applicable to the shareholders' meetings of listed companies; the aforementioned Shareholders' Meetings were held exclusively through remote attendance using telecommunications means and without prejudice to the possibility of remote voting; attendance and voting at the shareholders' meeting was achieved through the designated representative appointed pursuant to article 135-undecies CLF, identified as Studio Legale Trevisan & Associati.

Since 2015, the Company has had regulations for the orderly and functional conduct of shareholders' meetings, which are available in the Governance section of the website www.inwit.it.

18. FURTHER CORPORATE GOVERNANCE PRACTICES

For the third year, INWIT has voluntarily prepared a Non-Financial Statement (NFS), pursuant to Legislative Decree no. 254 of 30 December 2016, despite not falling within the application parameters of the aforementioned legislation. The document is available in the Sustainability section of the Company website www.inwit.it.

The NFS is subject to limited assurance by PricewaterhouseCoopers S.p.A., the current independent auditor of the Company, in line with the provisions of the aforementioned legislative decree and current practice.

19. CHANGES SINCE THE END OF THE REFERENCE YEAR

Nothing to indicate.

20. CONSIDERATIONS ON THE LETTER OF 22 DECEMBER 2020 FROM THE CHAIRMAN OF THE ITALIAN CORPORATE GOVERNANCE COMMITTEE

The letter of the Chairman of the Corporate Governance Committee was made available to all Chairmen of the board committees and examined by the Control and Risk Committee (which at INWIT is also responsible for monitoring governance best practices) and the Board of Statutory Auditors at several joint meetings; at the meeting on 1 March 2021 the aforementioned Committee examined this Report (in view of the "Format" published by Borsa Italiana in January 2019) on which it formulated a favourable opinion.

With particular reference to the areas on which issuers were urged to adhere better to the recommendations contained in the Borsa Italiana Corporate Governance Code, we would comment the following.

- Sustainability has become an integral part of the corporate strategies with the aim of generating value from a long-term perspective and contributing to the growth, improvement and social and economic development of the communities in which the company operates and of the players that make up its value chain.

In this respect, in 2020 Inwit started a stakeholder engagement process aimed at agreeing the objectives and purposes with the stakeholders which led to the definition of the new materiality matrix approved by the Sustainability Committee and reported in the Non-Financial Statement (NFS); the matrix identifies the issues that Inwit and its stakeholders considered to be priorities.

A new three-year Sustainability Plan was therefore defined for the period 2021-2023, in keeping with the materiality matrix developed starting with the United Nations 2030 Agenda and its Sustainable Development Goals.

The new Sustainability Plan is focused on 5 areas of commitment (Governance, People, Environment, Innovation and Community) and is made up of 7 medium to long-term objectives, 12 lines of action and 25 activities.

The objectives of the new Plan are to:

- develop and maintain a governance system aligned with national and international best practices, acting on the delegation and responsibilities system for sustainability;
- encourage the involvement, well-being and development of our people, with actions aimed at developing talent and know-how, increasing the corporate identity, and promoting awareness of diversity and inclusion;
- ensure high safety standards along the value chain promoting the culture of health and safety;
- achieve carbon neutrality by 2025, by defining a climate strategy that involves the implementation of an Energy and Carbon Management system;
- reduce the environmental footprint with a circular economy approach;
- support operators in the digitisation of the country through the creation of technologically advanced, innovative and quality infrastructures that facilitate the adoption of strategic, sustainable and resilient enabling technologies;
- contribute to the social, cultural and economic development of the community, promoting and developing collaboration projects to increase coverage in smaller municipalities, rural areas and sites of high social and cultural value.

In 2020, some targets of the previous Sustainability Plan were incorporated into the MBO system for the Chief Executive Officer and the first tier, as well as into the LTI plan.

- As regards pre-board meeting information, refer to paragraph 4.3 of the Report. Moreover, it is pointed out that the Regulations of the Board of Directors state that, without prejudice to the provisions of the Bylaws on convocation (5 days prior to the meeting and 12 hours in the case of urgent convocation), the Chairman shall make all reasonable efforts to ensure the call notice is sent by the 7th day prior to the date of the meeting or, in urgent cases, with notice of at least 24 hours.

Flows of information to the Board of Directors are still a point of attention at Inwit, in terms of timeliness, usability and completeness. There is shared awareness of the need to increase the effectiveness (as well as efficiency, given the number of topics) of the process of preparing for board meetings, taking into account the requirements of the full Board and the complexity of the subjects and the delicacy of the decisions referred for the assessment of the company bodies.

- Inwit endorses the criteria of the Corporate Governance Code as regards the qualification of the Directors as independent; the Board of Directors assesses the requisites based on the elements made available by the parties concerned or in any case available to the Company. In assessing the independence requirements of its members the Company has not moved away from application of the criteria set out in the Corporate Governance Code and there were no cases of justified non-application of one or more independence criteria; the Board of Statutory Auditors also duly supervised the correct application of the independence criteria by the Board of Directors (see point 4.7 of the Report).

Adaptation to the new Corporate Governance Code therefore represents an opportunity to further refine oversight of the subject.

- As part of the self-assessment of the Board, all the non-executive Directors considered that the strategic matter had been discussed adequately by the Board, having therefore had the possibility of contributing to the general definition of the Company's strategic plan. A good example was the in-depth discussion of the business plan at several meetings, with a clear identification of the development areas;
- During the appointment of the Board of Directors by the Shareholders' Meeting on 20 March 2020, it was announced that the Shareholder TIM had filed slates of candidates and proposals in relation to the appointment, which had been brought forward with respect to the deadline set by the regulations. A broad-ranging and detailed report had been prepared by the Board of Directors which, on that occasion, did not make any proposals. The aforementioned report made express reference, *inter alia*, to the undertakings established by the framework agreement signed on 26 July 2019 between TIM S.p.A., Vodafone Europe B.V., Vodafone Italia S.p.A. and the Company (and subsequently subscribed by Vodafone Towers S.r.l.) in relation to the submission of the slate by TIM S.p.A.
- In March 2017, the Board of Directors of INWIT defined the succession plan to be implemented should the early replacement of the Chief Executive Officer or Chairman become necessary for unforeseeable reasons. In such a situation, should the Chief Executive Officer cease to hold office, the plan provides that

the duties pertaining to this role shall be assigned to the Chairman until the new Chief Executive Officer takes office. If it is the Chairman who ceases to hold office, this figure shall be replaced by the Chief Executive Officer or the most senior Director until the new Chairman takes office. At the date of this Report, the succession plan is being updated and this process is expected to be completed in the first half of 2021. The definition of the succession plan and of the related process of managing the replacement tables is a response to the objective of ensuring that business continuity risk is managed, critical organisational positions safeguarded and, last but not least, that the managerial potential of the best in-house talents is developed.

For a description of the process relating to the replacement tables, see paragraph 4.1.

- Inwit's Remuneration Policy contributes to achievement of the company's strategic priorities, promoting the alignment of the interests of management with the creation of sustainable value for stakeholders over the medium to long term, and aims to attract, retain and motivate people with high professional and managerial standing who represent a decisive factor for the success of the Company.

The link between remuneration and the medium to long-term interests of the Company is ensured by the combination of short-term variable incentive systems (annual MBO) and long-term variable incentive systems (LTI plans), connected to achievement of the main economic-financial and business development objectives contained in the Strategic Plan and the ESG objectives, geared towards sustainable growth, contained in the Sustainability Plan.

The Remuneration Policy has been drafted by INWIT's Board of Directors in accordance with applicable laws and statutory regulations, as well as with its Corporate Governance Code. The Shareholders' Meeting of 20 March 2020 appointed the Board of Directors for the three-year period 2020-2022, establishing the total remuneration as 900,000 euros gross per annum; thereafter, the Board of Directors at the meeting on 11 May 2020, as proposed by the Nomination and Remuneration Committee, approved the distribution of the total remuneration.

As regards severance pay, on 29 July 2019 the Board of Directors approved the policy for Executive Directors and Key Managers with Strategic Responsibilities. Severance pay applies in the event of early termination of office as director or termination of employment without just cause and involves payment of compensation defined as a maximum number of annuities of remuneration.

TABLE 1: INFORMATION ON SHARE OWNERSHIP

SHARE CAPITAL STRUCTURE				
	No. shares	% of share capital	Listed (indicate markets) / non listed	Rights and obligations
Ordinary shares	960,200,000	100.00	Listed on Borsa Italiana S.p.A.	Voting rights at Ordinary and Extraordinary Meetings
Shares with limited voting rights	Not applicable	=	=	=
Savings shares	Not applicable	=	=	=

OTHER FINANCIAL INSTRUMENTS (ATTRIBUTING THE RIGHT TO SUBSCRIBE NEWLY ISSUED SHARES)				
	Listed (indicate markets) / non listed	No. of instruments in circulation	Category of shares available for conversion/subscription	No. of shares available for conversion/subscription
Convertible bonds	Not applicable	=	=	=
Warrants	Not applicable	=	=	=

MAJOR SHAREHOLDINGS			
Declarant or party at the top of the chain of holdings	Direct shareholder	% of ordinary capital	% of voting capital
VODAFONE GROUP PLC	Central Tower Holding Company B.V.	33.2%	33.2%
TELECOM ITALIA SPA	Daphne 3 S.p.A	30.2%	30.2%

TABLE 2: STRUCTURE OF BOARD OF DIRECTORS AND COMMITTEES

Board of Directors													Control and Risk Committee		Nomination and Remuneration Committee		Related Parties Committee		Sustainability Committee		
Position	Members	Year Of birth	Date of first appointment *	Serving since	Serving until	Slot e **	Exec.	Non exec.	Independ. Code	Independ. CLF	Number Other offices ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)	
Chairman	TOURNON Emanuele	1960	31/03/2021	31/03/2021	31/12/2022	M		X			-	13/13									
Chief Executive Officer [◇]	FERIGO Giovanni	1959	13/04/2018	13/04/2018	31/12/2022	M	X				-	15/15									
Director	BELLEZZA Giovanna	1968	02/10/2021	02/10/2021	Next Shareholder s' meeting	see par. 4.2		X				4/4								2/2	M
Director	CAVATORTA Laura	1964	13/04/2018	13/04/2018	31/12/2022	m			X	X	1	15/15			13/13	M				6/6	C
Director	CORDA Antonio	1973	31/03/2021	31/03/2021	31/12/2022	M		X			-	13/13	8/8	M	9/9	M					
Director	COSSELLU Angela Maria	1963	23/04/2021	23/04/2021	31/12/2022	see par. 4.2			X	X	1	12/12	8/8	C			10/11	M			
Director	DI BARTOLOMEO Sabrina	1971	31/03/2021	31/03/2021	31/12/2022	M		X				13/13								6/6	M
Director	HERNANDEZ Sonia	1973	31/03/2021	31/03/2021	31/12/2022	M		X				12/13									
Director	MAZZA Rosario	1983	02/10/2021	02/10/2021	Next Shareholder s' meeting	see par. 4.2			X	X		3/4			3/3	C	6/6	M			
Director	NUZZOLO Agostino	1968	20/04/2017	20/04/2017	31/12/2022	M		X				12/15	7/8	M							
Director	RAVERA Secondina Giulia	1966	13/04/2018	13/04/2018	31/12/2022	m			X	X	2	15/15	13/13	M			11/11	C			
Director	ROCCHIO Fabrizio	1964	31/03/2021	31/03/2021	31/12/2022	M		X				13/13								6/6	M
Director	VALSECCHI Francesco	1964	31/03/2021	31/03/2021	31/12/2022	m			X	X	1	13/13	8/8	M						6/6	M

No. meetings held during the reference financial year: BOD 15 CRC 13 NRC 13 RPC 11 COSOS 6 BoSA 18 (in addition to 11 joint NRC) Quorum required to submit slates by the minorities for the election of one or more members (pursuant to art. 147-ter CLF): 1.0%

NOTES - The symbols given below must be included in the "Office" column:

• This symbol means the director in charge of the internal control and risk management system.

◇ This symbol means the main person responsible for managing the issuer (Chief Executive Officer or CEO).

○ This symbol means the Lead Independent Director (LID).

* Date of first appointment of each director means the date on which the director was appointed for the first time (overall) to the BoD of the issuer.

** This column indicates the slate from which each statutory auditor was chosen ("M": majority slate; "m": minority slate; "BoD": slate presented 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. The appointments are set out in full in the Corporate Governance Report.

(*) This column shows the attendance of the directors respectively at the Board of Directors and Committee meetings (the number of meetings attended is indicated with respect to the total number of meetings he/she could have attended; such as 6/8; 8/8, etc.).

(**) This column shows the status of the Director



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Translation for the reader's convenience only. In case of inconsistency, the Italian text will prevail.

TABLE 2: STRUCTURE OF BOARD OF DIRECTORS AND COMMITTEES

DIRECTORS WHO RESIGNED DURING THE REFERENCE FINANCIAL YEAR

Board of Directors													Control and Risk Committee		Nomination and Remuneration Committee		Sustainability Committee	
Position	Members	Year of Birth	Date of first appointment	Serving since	Serving until	Slate **	Exec.	Non exec.	Independ. Code	Independ. CLF	Number Other offices ***	(*)	(*)	(**)	(*)	(**)	(*)	(**)
Chairman	PELUSO Piergiorgio	1968	15/05/2015	15/05/2019	30/03/2021	M		X				2/2						
Director	BALZANI Francesca	1966	13/04/2018	13/04/2018	30/03/2021	M		X				2/2	4/5	M				
Director ^o	BIGNAMI Enrico Maria	1957	13/04/2018	13/04/2018	30/03/2021	Appointed on			X	X		2/2			4/4	M		
Director	BONINO Gigliola	1966	13/04/2018	13/04/2018	30/03/2021	M		X				2/2						
Director	CAVALERI Barbara	1969	31/03/2021	31/03/2021	22/04/2021	M		X				1/1						
Director	GUARNA Luca Aurelio	1972	20/04/2017	20/04/2017	30/03/2021	M			X	X		1/2	5/5	C				
Director	NARDELLO Carlo	1964	15/05/2019	15/05/2019	01/10/2021	M		X				10/10					4/4	M
Director	PASSEGGIO Filomena	1952	20/04/2017	20/04/2017	01/10/2021	M			X	X		10/10			10/10	C		

In 2020, the Strategy Committee (made up of the Directors Mr Peluso, Chairman, Mr Ferigo, Mr Bignami, Mr Nardello and Ms Ravera) held 1 meeting; said Committee was not re-established after the appointment of the BoD in office since 31 March 2020

NOTES - The symbols given below must be included in the "Office" column:

- This symbol means the director in charge of the internal control and risk management system.
- ◊ This symbol means the main person responsible for managing the issuer (Chief Executive Officer or CEO).
- o This symbol means the Lead Independent Director (LID).
- * Date of first appointment of each director means the date on which the director was appointed for the first time (overall) to the BoD of the issuer.
- ** This column indicates the slate from which each statutory auditor was chosen ("M": majority slate; "m": minority slate; "BoD": slate presented 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 or other sizeable companies. The appointments are set out in full in the Corporate Governance Report.
- (*) This column shows the attendance of the directors respectively at the Board of Directors and Committee meetings (the number of meetings attended is indicated with respect to the total number of meetings he/she could have attended; such as 6/8; 8/8, etc.).
- (**) This column shows the status of the Director

Below is a list of the **positions held by the Directors** currently in office, in companies included in the FTSE/MIB index, or in companies operating predominantly in the financial sector in relation to the public (appearing in the lists in Articles 106 and 107 of Legislative Decree no. 385 of 1 September 1993), or in companies that perform banking or insurance activities, considered significant pursuant to chapter three "Composition of the Board of Directors" paragraph 3.2 of the Inwit Corporate Governance Principles.

Laura Cavatorta	Independent Director SNAM S.p.A.
Angela Maria Cossellu	CEO Zurich Insurance Company
Secondina Giulia Ravera	Independent Director A2A S.p.A. and Reply S.p.A.
Francesco Valsecchi	Director Anima Holding S.p.A.

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors

Position	Members	Year of Birth	Date of first appointment *	Serving since	Serving until	Slate **	Independence as per Civil Code	Attendance at Board meetings***	Number of other offices****
Chairman	SARUBBI Stefano	1965	13/04/2018	13/04/2018	31/12/2020	m	X	29/29	12
Standing auditor	LA COMMARA Umberto	1967	14/01/2015	14/01/2015	31/12/2020	M	X	28/29	11
Standing auditor	ZEME Michela	1969	14/01/2015	14/01/2015	31/12/2020	M	X	28/29	10
Alternate Auditor	MENICUCCI Elisa	1980	14/01/2015	14/01/2015	31/12/2020	M	X	=	=
Alternate Auditor	CASSADER Roberto	1965	13/04/2018	13/04/2018	31/12/2020	m	X	=	=

STATUTORY AUDITORS WHO CEASED TO HOLD OFFICE IN FY 2020: none ceased to hold office in FY 2020

Number of meetings held during the reference year: 29 - *Quorum* required to submit slates at last appointment: 1%

NOTES

- * Date of first appointment of each statutory auditor means the date on which the statutory auditor was appointed for the first time (overall) to the Board of Statutory Auditors of the issuer.
- ** This column indicates the slate from which each statutory auditor was chosen (“M”: majority slate; “m”: minority slate). The slate voting system was not applied to the appointment of the Board of Statutory Auditors currently in office, since it was appointed at the time the company was constituted.
- *** This column shows the attendance of the auditors at the Board of Statutory Auditors meetings (the number of meetings attended is indicated with respect to the total number of meetings he/she could have attended).
- **** This column indicates the number of offices as director or statutory auditor held by the person concerned, considered significant pursuant to Article 148-bis of the CLF and the relative implementing provisions contained in the Consob Issuer Regulations. The complete list of offices held is published by Consob on its website, pursuant to article 144-*quinquiesdecies* of the Consob Issuer Regulations.