



## **PROPOSED RESOLUTIONS**

**SHAREHOLDERS' MEETING  
23 MAY 2018 – 11.00AM (SINGLE CALL)  
ROZZANO (MILAN), VIALE TOSCANA 3**

### **AGENDA**

- 1. Consensual termination of the appointment of the current independent auditors  
PricewaterhouseCoopers S.p.A. - related and consequent resolutions**
- 2. Appointment of the independent auditors for the period 2019-2027**

## 1. CONSENSUAL TERMINATION OF THE APPOINTMENT OF THE CURRENT INDEPENDENT AUDITORS PRICEWATERHOUSECOOPERS S.P.A. - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

With the issue of the audit report on the separate and consolidated financial statements of TIM S.p.A. ("TIM") for the year to 31 December 2018, the appointment of audit firm PricewaterhouseCoopers S.p.A. ("PwC") as external auditor for the nine year period 2010-2018, resolved by the TIM Shareholders' Meeting on 29 April 2010, comes to an end and - pursuant to the legal provisions - cannot be further renewed.

To respect the principle of independence, and, in particular, the prohibition, contained in the reference law, to receive services of *"Design and delivery of internal control and risk management procedures relating to the preparation and/or control of financial reporting, or the design and delivery of technology systems for financial reporting"* from the auditor in the 12 months preceding the start of the audit period, the Parent Company, TIM, will submit the proposal to appoint the new external auditor for the nine year period 2019-2027, based on the selection process undertaken, pursuant to the applicable law, by the Board of Statutory Auditors of TIM in agreement with the Board of Statutory Auditors of Infrastrutture Wireless Italiane S.p.A. ("INWIT" or the "Company") to the meeting of its shareholders called for 24 April 2018.

The Board of Directors and Board of Statutory Auditors of the Company have expressed their preference for the undoubted advantages that can derive from having a Sole External Auditor for the Group, which are primarily better coordination of the activities and operations of departments and a more effective and efficient audit process, with benefits in terms of the rationalisation of activities and the cost-effectiveness of the services rendered (reducing their costs), also deriving from the possibility of avoiding the burden of reporting and compliance on the external auditor of the Parent Company and on the different external auditor of the subsidiary that are required by the current law and accounting principles.

Therefore, the Company, in a letter dated 26 March 2018, proposed to audit firm PwC that the contract to externally audit the financial statements of the Company for the financial years 2015-

2023, conferred with a resolution approved by the INWIT Shareholders' Meeting on 27 February 2015, be terminated by mutual agreement – in compliance with the provisions of art. 13 of Legislative Decree 39 of 27 January 2010 (the “Legislative Decree”) and art. 7 of Ministry of Economy and Finance Decree 261 of 28 December 2012 (the “Ministerial Decree”) – with effect from the approval of the financial statements of INWIT for the year ending 31 December 2018.

Following the Company's request, PwC informed it on 4 April 2018 that it accepted the proposal for consensual termination and had no further or opposing comments, and no objections to the proposal.

The Board of Statutory Auditors of the Company expressed itself in favour of the proposal for the consensual termination of the contract with the current external auditor of its accounts, agreeing with the reasoning set out above and acknowledging the comments made with regard to the consensual termination of the appointment communicated by PwC, issuing its opinion pursuant to art. 7, subsection 2 of the Ministerial Decree annexed to this document at letter A.

The termination of the current audit contract with PwC will allow the Shareholders' Meeting to resolve to appoint a new external auditor for a period of time aligned with that of the proposed appointment to be reviewed by the Shareholders' Meeting of Parent Company TIM, called for 24 April 2018.

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

### **Proposed Resolution**

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

- having reviewed the Explanatory Report of the Board of Directors made available to the shareholders within the period of time and with the arrangements specified in law;
- having taken note of the opinion of the Board of Statutory Auditors regarding the consensual termination of the engagement of the external auditor (Annexed at letter A.)

resolves

- pursuant to Legislative Decree 39 of 27 January 2010 and Ministry of Economy and Finance Decree 261 of 28 December 2012, to approve the consensual termination of the contract

appointing audit firm PricewaterhouseCoopers S.p.A.as external auditor of the Company for the financial years from 2015 to 2023 resolved by the Shareholders' Meeting on 27 February 2015, all with effect subject to the appointment of the new audit firm and with effect from the date the Shareholders' Meeting resolves to approve the financial statements of the Company for the year ending 31 December 2018;

- to delegate all the broadest powers to the Chairman of the Board of Directors and the Chief Executive Officer, severally, in accordance with the legal provisions, to completely execute the aforementioned resolution, with any and every power necessary or advisable for this purpose, without exclusion or exception, including the power to make any amendments of a non-substantial nature to said resolutions that might be deemed necessary and/or advisable for registration in the Business Register and/or in relation to any indications provided by the Supervisory Authority".

## **Annex A**

### **Opinion of the Board of Statutory Auditors on the termination by mutual agreement of the current engagement of PricewaterhouseCoopers S.p.A. to act as external auditor of the company's accounts.**

This opinion is rendered by the Board of Statutory Auditors of Infrastrutture Wireless Italiane S.p.A. ("INWIT" or the "Company") pursuant to art. 7, subsection 2 of Ministry of Economy and Finance Decree 261 of 28 December 2012 entitled "Regulations concerning the circumstances and arrangements for the revocation, resignation and consensual termination of a contract appointing an external auditor in implementation of art. 13, subsection 4 of legislative decree 39 of 27 January 2010".

The Board of Statutory Auditors,

having acknowledged

- that with the issue of the audit report on the separate and consolidated financial statements of TIM S.p.A ("TIM") for the year to 31 December 2018 the contract appointing audit firm PricewaterhouseCoopers S.p.A. ("PwC") as external auditor for the nine year period 2019-2027, resolved by the TIM Shareholders' Meeting on 29 April 2010 comes to an end, and
- that Parent Company TIM will submit a proposal to appoint a new external auditor for the nine year period 2019-2027 to its Shareholders' Meeting called for 24 April 2018, based on the selection process undertaken by the Board of Statutory Auditors of TIM in agreement with ourselves, the members of the control body of INWIT, pursuant to current law,

having reviewed

- the letter dated 26 March 2018 with which the Company communicated to PwC the proposal to terminate by mutual agreement the contract for the external audit of the financial statements for the financial years 2015-2023, conferred with a resolution approved by the INWIT Shareholders' Meeting on 27 February 2015, with effect from the date of approval of the financial statements for the year to 31 December 2018;

- the letter received on 4 April 2018 with which PwC informed the Company that it accepted the proposal for consensual termination and had no further or opposing comments, and no objections to the proposal;

having considered

- that there may be advantages that are primarily better coordination of the activities and operations of departments and a more effective and efficient audit process, with benefits in terms of the rationalisation of activities and the cost-effectiveness of the services rendered (reducing their costs), also deriving from the possibility of avoiding the burden of reporting and compliance on the external auditor of the Parent Company and on the different external auditor of the subsidiary that are required by the current law and by accounting principles;
- that termination of the existing external audit contract with PwC will allow the Shareholders' Meeting to resolve to appoint a new external auditor for a period of time aligned with that of the proposed appointment to be reviewed by the Shareholders' Meeting of Parent Company TIM, called for 24 April 2018;

having ascertained

that the preconditions specified in art. 13 of Legislative Decree 39 of 27 January 2010 and of art. 7 of Ministry of Economy and Finance Decree 261 of 28 December 2012 for the termination of the existing contract with PwC for the external audit of the financial statements of the Company exist, and, more generally, that the proposal submitted to the Company Shareholders' Meeting for approval complies with the applicable law and regulatory provisions;

expresses

its favourable opinion of the proposal for the consensual termination of the contract appointing audit firm PricewaterhouseCoopers S.p.A. as external auditor for the financial years from 2015 to 2023, resolved by the Shareholders' Meeting on 27 February 2015, all with effect subject to the appointment of the new audit firm and with effect from the date of approval by the Shareholders' Meeting of the financial statements of the Company for the year ending 31 December 2018.

Milan, 5 April 2018

The Board of Statutory Auditors

## **2. APPOINTMENT OF THE INDEPENDENT AUDITORS FOR THE PERIOD 2019-2027**

Dear Shareholders,

as set out in the Explanatory Report provided for the preceding item on the agenda, the Board of Directors and Board of Statutory Auditors of the Company have considered that it is indeed advisable for the Company to achieve a consensual termination of the contract with PricewaterhouseCoopers S.p.A. to audit the financial statements of the Company for the financial years 2015-2023, in order to permit Infrastrutture Wireless Italiane S.p.A. ("INWIT" or the "Company") to proceed to appoint a new external auditor for a period of time aligned with that of the proposed appointment to be reviewed by the Shareholders' Meeting of Parent Company TIM, called for 24 April 2018.

The Shareholders' Meeting is therefore called on to proceed to appoint a new external auditor to undertake the following tasks in the nine year period 2019-2027, based on the selection made by the Board of Statutory Auditors:

- external audit of the financial statements of the Company;
- limited audit of the Company's condensed half-year financial statements;
- complete audit of the annual reporting package and limited audit of the half-yearly reporting package to be transmitted to the Parent Company for consolidation purposes.

The document drafted by the Board of Statutory Auditors is reproduced below.

**RECOMMENDATION OF THE BOARD OF STATUTORY AUDITORS OF INWIT S.p.A. FOR THE APPOINTMENT OF AN EXTERNAL AUDITOR OF THE COMPANY'S FINANCIAL STATEMENTS FOR THE NINE YEAR PERIOD 2019-2027**

---

<b>1. Introduction</b>	<b>9</b>
<b>2. Regulatory framework and selection process</b>	<b>9</b>
<b>3. Results of the selection</b>	<b>12</b>
<b>4. Reasoned proposal of the Board of Statutory Auditors</b>	<b>13</b>
<b>5. Declaration</b>	<b>14</b>
<b>ANNEXES</b>	<b>15</b>
Annex 1 - Summary of EY S.p.A. proposal	
Annex 2 - Summary of KPMG S.p.A. proposal	

---



## 1. Introduction

With the issue of the audit report on the separate and consolidated financial statements of TIM S.p.A. ("TIM") for the year to 31 December 2018, the appointment of audit firm PricewaterhouseCoopers S.p.A. ("PwC") as external auditor for the nine year period 2010-2018, resolved by the TIM Shareholders' Meeting on 29 April 2010, comes to an end.

While the current contract with PwC to act as external auditor of the financial statements of Infrastrutture Wireless Italiane S.p.A. ("INWIT" or the "Company"), resolved by the Shareholders' Meeting of the latter on 25 February 2015, comes to an end with the issue of the audit report on the financial statements of the year to 31 December 2023, the Board of Statutory Auditors of the Company has expressed its preference for the undoubted advantages that can derive from having a Sole External Auditor for the Group, (primarily better coordination of the activities and operations of departments and a more effective and efficient audit process, with benefits in terms of the rationalisation of activities and the cost-effectiveness of the services rendered, reducing their costs), compared to the eventuality that each company opt for a different auditor, which is conceivable.

The Board of Statutory Auditors therefore participated in the process to select a new Sole External Auditor of the TIM Group for the nine year period 2019-2027, also independently undertaking activities and assessments in the specific interests of INWIT. The process started in September 2017, well before the expiry of PwC's mandate to be able to monitor in advance compliance with the principle of independence and, in particular, the prohibition, contained in the reference law, to receive services of *"Design and delivery of internal control and risk management procedures relating to the preparation and/or control of financial reporting, or the design and delivery of technology systems for financial reporting"* from the auditor in the 12 months preceding the start of the audit period.

It should be noted that the TIM Shareholders' Meeting called for 24 April 2018 will be called on to resolve, *inter alia*, on the choice of a new Sole External Auditor for the Group, as well as to approve the fee and criteria for its updating, based on the reasoned proposal of the Board of Statutory Auditors.

Similar material will be submitted to the INWIT Shareholders' Meeting called for 23 May 2018, subject to the approval by said Shareholders' Meeting of the consensual termination of the existing contract appointing PwC as external auditor of the company, approved by the Board of Statutory Auditors of the Company on 5 April 2018.

## 2. Regulatory framework and selection process

The national and European regulations prescribe that:

- it is the Board of Statutory Auditors that *"is responsible for the procedure for selecting the external auditor or external audit firm and for recommending the external auditors or external audit firm"*, and also responsible for formulating a reasoned recommendation to confer the

appointment, containing at least two possible alternative candidates, expressing a preference for one of the two;

- the shareholders' meeting is called on to *“confer the appointment as external auditor of the accounts, and to determine the fee payable to the external audit firm for the entire duration of their engagement, and any criteria for the adjustment of this fee during the period”*, at the motivated proposal of the control body.

The selection procedure was also carried out in accordance with US Securities Laws, since TIM is listed on the New York Stock Exchange.

In addition to the Boards of Statutory Auditors of INWIT and TIM, and without prejudice to their respective competencies pursuant to the specific applicable law, the Audit Committees of the following TIM Group companies were also involved in the process:

- TI Finance S.A and TI Capital S.A. (Luxembourg-registered companies that may be qualified as Public Interest Entities);
- TIM Participações S.A. (a Brazilian company listed on the New York Stock Exchange and subject to US Securities Laws as a Foreign Private Issuer).

In detail:

- the preliminary investigation to identify the Group's Sole External Auditor was coordinated by the Chief Financial Officer and the executive responsible for the preparation of TIM's accounting documents, in agreement with their opposite numbers in INWIT, TI Finance, TI Capital and TIM Participações, under the supervision of the Boards of Statutory Auditors / Audit Committees of these companies;
- the Chief Financial Officer of TIM, together with the Chief Financial Officers of INWIT, TI Finance, TI Capital and TIM Participações, assessed the proposals made by the auditors based on predefined technical-qualitative and economic parameters, and drew up a report on the conclusions of the selection process and he submitted the report on those matters within their sphere of competence to the various Boards of Statutory Auditors / Audit Committees of the companies listed in the preceding point, and submitted the complete report to the Board of Statutory Auditors of TIM.

At the end of December 2017 the Board of Statutory Auditors of TIM formalised the results of the selection.

**The Selection Process consisted of the following phases:**

**Phase 1 - Pre-selection:** seven audit firms that met the criteria that had been identified (Baker Tilly Revisa S.p.A., BDO ITALIA S.p.A., Deloitte & Touche S.p.A., EY S.p.A. (“EY”), KPMG S.p.A. (“KPMG”), MAZARS ITALIA S.p.A. and RIA GRANT THORNTON S.p.A.) were invited to express their interest in

participating in the selection. The invitation letters contained an initial preliminary indication of the technical-qualitative aspects deemed relevant for the purpose of selecting the new auditor.

Having noted that three audit firms (*i.e.* Baker Tilly Revisa S.p.A., BDO ITALIA S.p.A. and MAZARS ITALIA S.p.A.) had decided to decline the invitation, for various reasons, the process continued with the remaining four.

**Phase 2 - Selection**: the selection was made through an online competitive procedure, using a dedicated IT platform that allowed us to manage and trace all correspondence and documentation exchanged between the participating audit firms.

The requests to submit offers contained all the elements needed to formulate a proposal, as well as the criteria for the assessment of the offers and how the procedure would proceed, including the model framework proposal applicable for all TIM Group companies.

As for the selection criteria, a total weight of 60 was attributed to the technical-qualitative aspects, with a maximum assignable score of 600 points, broken down as follows:

- A. Characteristics of the audit firm (weight 18)
  - 1. Independence (weight 7).
  - 2. Operational structure/organisation (weight 6).
  - 3. Technical references (including the firm's network) (weight 5).
  
- B. Technical skills of the Audit Team (weight 14)
  - 1. Partner who would sign the TIM audit report (weight 4).
  - 2. Experience and resumes of the partners and senior members of the audit team that would be dedicated to the Group companies with listed equity and/or debt securities (TIM, INWIT, TI Finance and TI Capital, as well as TIM Participações), indicating, *inter alia*, any experience in telecommunications companies and presence of members of national and international technical bodies (weight 7).
  - 4. Inclusion of Italian professionals in TIM's principal foreign subsidiaries (the list is not exhaustive: Brazil, Luxembourg) (weight 3).
  
- C. Audit strategy and knowledge of the TIM Group (weight 12)
  - 1. Audit strategy (weight 6).
  - 2. Degree of knowledge of the operations of the TIM Group (weight 6).
  
- D. Other qualitative aspects of the offer (weight 16)
  - 1. Mix for the ordinary activities to audit the financial statements/packages for the TIM Group companies with listed equity and/or debt securities (weight 8).
  - 2. Specific use of qualified resources on the principal TIM Group companies (partners and dedicated specialists) (weight 4).

3. Any sanctions imposed by the competent authorities in Italy, Brazil and Luxembourg (e.g. Consob, CVM or the PCAOB - Public Company Accounting Oversight Board) in the last 3 years (2015-2016-2017) on the firms (including partners) in the network (additional selection criteria not included in pre-selection) (weight 4).

With respect to the economic aspects of the offer (weight 40), the maximum score that could be assigned was 400 points, and the quantitative assessment was made on the overall TIM Group offer, broken down as follows:

- A. Audit of TIM financial statements (annual and interim) (weight 20).
- B. Audit of TIM Participações Group financial statements (annual and interim) and reporting packages (weight 7).
- C. Audit of INWIT financial statements (annual and half-yearly) and reporting packages (weight 2).
- D. Audit of the financial statements (annual and interim) and reporting packages of Other TIM subsidiaries (weight 6).
- E. Comfort letter for TIM bond issues both inside and outside the EU (weight 3).
- F. Certification services for TIM's tender offers or bids and, where applicable those of the Italian subsidiaries (weight 2).

All the offers had been submitted by 24 October 2017, with subsequent requests for clarification and reissue of the economic part only, without prejudice to the commitment in terms of hour and mix of professionals. On 7 December 2017 the candidates were asked to proceed to present their definitive offers, and definitive offers had been received from the four participating audit firms by 12 December 2017.

**Phase 3 - Results of the Selection Process:** the definitive offers received, regarding INWIT, were analysed by the Board of Statutory Auditors of INWIT with the corresponding TIM body which, having completed the assessment, informed the participating audit firms of the outcome of the selection, reminding the top two of the need to respect the prohibition to perform prohibited services in the cooling-in period referred to above from 1 January 2018.

### **3. Results of the selection**

Based on the assessment of the technical-qualitative and economic aspects previously described, the results of the process produced the following ranking list:

1. EY S.p.A.
2. KPMG S.p.A.
3. Deloitte & Touche S.p.A.
4. RIA Grant Thornton S.p.A.

It should be noted that the distinctive elements, in terms of quality and efficiency in the provision of audit services, were:

- EY presented a more consolidated degree of experience in the audit of companies qualified as bodies of public interest (under EU law) and foreign private issues (under US law) as well as of telecommunications companies and enterprises of comparable size;
- EY presented a greater degree of knowledge of the operations of the TIM Group than the other participants in the selection (the members of the dedicated EY audit team, especially the central TIM team, have accrued in-depth knowledge of the operations of the TIM Group, principally after having served as auditor in the nine year period from 2001-2009, a period in which the activities currently carried out by INWIT constituted a branch of TIM's business);
- the technical competences of the partner who would sign the TIM audit, the experience and background of the partners and senior members of the audit teams assigned to the principal TIM Group companies with listed securities were essentially the same for the audit firms participating in the selection. There was, however, a slight differentiation, in favour of EY and KPMG, on the degree of involvement of Italian professionals at the principal foreign subsidiaries of TIM;
- as for the mix for ordinary activities to audit the financial statements/reporting packages, and the specific commitment to use qualified resources (partners and specialists) for the principal TIM Group companies, the audit firms that participated in the selection all envisaged a significant use of high profile individuals, including specialists. However, also taking account of aspects strictly linked to this commitment, such as the differentiation of the mix according to the audit activity, the difference, in terms of total number of hours employed, compared to the outgoing auditor, and the average tariff applied overall, EY was found to be better positioned at Group TIM level than the other Audit Firms that participated in the selection.

#### **4. Reasoned proposal of the Board of Statutory Auditors**

The Board of Statutory Auditors of INWIT,

- whereas the appointment of audit firm PricewaterhouseCoopers S.p.A. as external auditor for the nine year period 2010-2018, resolved by the TIM Shareholders' Meeting on 29 April 2010, comes to an end with the issue of the audit report on TIM's separate and consolidated financial statements for the year to 31 December 2018;
- having formulated a positive opinion of the advantages that can accrue from the presence of a Sole External Auditor of the Group, which are primarily better coordination of the activities and operations of departments and a more effective and efficient audit process, with benefits

in terms of the rationalisation of activities and the cost-effectiveness of the services rendered (reducing their costs);

- having considered that the new appointment would bring a non-marginal advantage over the current one, in terms of cost;
- having considered the results of the process to select the Sole External Auditor of the Group, which derive from a comparative and comprehensive analysis of the proposals received, which paid particular attention to the independence requirement, as well as technical-qualitative and economic aspects;
- having taken account of the fact that the applicable law requires that the reasoned proposal of the Board of Statutory Auditors contain at least two possible alternative appointments, with a duly justified expression of preference for one of the two;
- having decided that, given the logical assessment process described, the possible alternatives on which the appointment could be conferred must be identified in the audit firms EY S.p.A. and KPMG S.p.A., the summary proposals of which are set out in Annexes 1 and 2, without prejudice to the availability of the relative Engagement Letters, each with its respective annexes, at the registered offices of the Company
- expresses its preference for audit firm EY S.p.A., both because of the advantages described above and because it obtained a higher score in the proposal assessment procedure, as set out in paragraph 3 above. This choice, coherent with the recommendation formulated by the Board of Statutory Auditors of TIM to the Shareholders' Meeting of the Parent Company, is functional for the purpose of identifying a Sole External Auditor of the Group;
- recommends and proposes to the Shareholders' Meeting that EY S.p.A., be appointed to undertake the following tasks in each year of the nine year period 2019 - 2027, according to the terms and arrangements set out in summary in Annex 1:
  - ✓ external audit of the annual financial statements of the Company,
  - ✓ complete audit of the annual consolidation reporting package of the Company,
  - ✓ limited audit of the Company's condensed half-year financial statements at 30 June,
  - ✓ limited audit of the consolidation reporting package of the Company at 30 June.

Milan, 5 April 2018

THE BOARD OF STATUTORY AUDITORS

## 5. Declaration

Pursuant to art. 16, subsection 2 of EU Regulation 537/2014, the Board of Statutory Auditors declares that this recommendation has not been influenced by third parties and that no clause of a type described in paragraph 6 of said art. 16 of the EU regulation has been applied.

Milan, 5 April 2018

THE BOARD OF STATUTORY AUDITORS

## **ANNEXES**

**Annex 1 - Summary of EY S.p.A. proposal**

**Annex 2 - Summary of KPMG S.p.A. proposal**

**Identification details for the Audit Firm**

Audit Firm: EY S.p.A.  
Registered Office: Rome, via Po, 32 – 00198  
Registration Number on the Register of External Auditors: 70945  
Tax Code: 00434000584

**Audit Hours and Fees (nine year period 2019 – 2027)**

EY S.p.A.	Audit Hours and Fees	
	Hours (**)	Annual fees of €
<b>Engagement for the nine year period 2019-2027</b>		
External audit of the annual financial statements of INWIT S.p.A. (*)	2,716	167,400
Complete audit of the consolidation reporting package of INWIT S.p.A.	128	7,900
Limited audit of the condensed half-year financial statements of INWIT S.p.A. at 30 June,	527	32,500
Limited audit of the consolidation reporting package of INWIT S.p.A. at 30 June.	35	2,200
<b>Total annual hours and fees</b>	<b>3,406</b>	<b>210,000</b>

(\*) These fees include the activities prescribed by the tax regulations of reference that are the responsibility of the Audit Firm.

(\*\*) Professional mix differentiated by audit task: Partners 12%, Managers 21%, Seniors 32% and Staff 35%.

**Contractual conditions applicable to audit and non-audit services:**

<b>Mechanisms for adjusting fees</b>	
<ul style="list-style-type: none"> <li>- ISTAT index</li> <li>- Percentage change in ISTAT index</li> <li>- Period of application</li> <li>- Applicable from</li> </ul>	FOI index excluding tobacco products 90% 30 June / 1 July previous year 1 July 2020
<b>Arrangements for the reimbursement of ancillary costs</b>	
<ul style="list-style-type: none"> <li>- Reimbursement of contribution for security service (where applicable)</li> <li>- Reimbursement of out-of-pocket expenses (when relating to time spent outside normal office premises and on out-of-town assignments)</li> <li>- Reimbursement of expenses for technology, communication and secretarial services</li> </ul>	Payable by the audit firm  To the amount incurred and in any event within a maximum of 5% of the fees  Not charged
<b>Invoicing terms</b>	Based on monthly work in progress (WIP) with invoicing in the first week of the following month
<b>Terms of payment</b>	90 days end of month of date of invoice

**Exceptional or unforeseeable circumstances**

If circumstances should arise such as to entail a significant increase in audit time compared to what is estimated in our proposal - such as, by way of example, a change in the structure and size of the Company or the Group it controls, changes in the safeguards instituted as part of the internal control system, regulatory changes, changes in auditing standards, the performance of complex transactions carried out by Your Company or the Group it controls, additional audit procedures required by Consob through its notices or reference auditing standards, these will be discussed beforehand with the Company Management so that a written proposal can be submitted to increase the fees originally prescribed, also taking into account of the content of the legal and regulatory provisions of reference. It will be your responsibility to transmit any such supplementation to the competent Governance Body. Likewise, if less time should be spent than foreseen, the fees will be reduced proportionately. In addition, as you requested, we confirm our commitment, for the nine year period 2019-2027, to not ask for supplementary fees in case of (1) the introduction of new accounting standards, where we have agreed in advance with the Management that such novelties do not represent significant changes in the audit procedures to be carried out; (2) changes in the mix of professional roles used in the audit procedure, excepting those cases agreed and defined in advance with the Management of the Company.



**Identification details for the Audit Firm**

Audit Firm: KPMG S.p.A.  
Registered Office: Milan, via Vittor Pisani, 25 – 20124  
Registration Number on the Register of External Auditors: 70623  
Tax Code: 00709600159

**Audit Fees (nine year period 2019 – 2027)**

KPMG S.p.A.	Audit Hours and Fees	
	Hours (**)	Annual fees of €
<b>Engagement for the nine year period 2019-2027</b>		
External audit of the annual financial statements of INWIT S.p.A. (*)	2,180	140,000
Complete audit of the consolidation reporting package of INWIT S.p.A.	102	7,000
Limited audit of the condensed half-year financial statements of INWIT S.p.A. at 30 June,	422	25,000
Limited audit of the consolidation reporting package of INWIT S.p.A. at 30 June.	28	2,000
<b>Total annual hours and fees</b>	<b>2,732</b>	<b>174,000</b>

(\*) These fees include the activities prescribed by the tax regulations of reference that are the responsibility of the Audit Firm.

(\*\*) Professional mix differentiated by audit task: Partners 12%, Managers 30%, Seniors 35% Staff 18% and Assistants 5%.

**Contractual conditions applicable to audit and non-audit services:**

<b>Mechanisms for adjusting fees</b>	
<ul style="list-style-type: none"> <li>- ISTAT index</li> <li>- Percentage change in ISTAT index</li> <li>- Period of application</li> <li>- Applicable from</li> </ul>	FOI index excluding tobacco products 90% 30 June / 1 July previous year 1 July 2020
<b>Arrangements for the reimbursement of ancillary costs</b>	
<ul style="list-style-type: none"> <li>- Reimbursement of contribution for security service (where applicable)</li> <li>- Reimbursement of out-of-pocket expenses (when relating to time spent outside normal office premises and on out-of-town assignments)</li> <li>- Reimbursement of expenses for technology, communication and secretarial services</li> </ul>	Payable by the audit firm  To the amount incurred and in any event within a maximum of 5% of the fees  Not charged
<b>Invoicing terms</b>	Based on monthly work in progress (WIP) with invoicing in the first week of the following month
<b>Terms of payment</b>	90 days end of month of date of invoice

**Exceptional or unforeseeable circumstances**

If circumstances should arise such as to entail a significant increase in audit time compared to what is estimated in our proposal - such as, by way of example, a change in the structure and size of the Company or the Group it controls, changes in the safeguards instituted as part of the internal control system, regulatory changes, changes in auditing standards, the performance of complex transactions carried out by Your Company or the Group it controls, additional audit procedures required by Consob through its notices or reference auditing standards, these will be discussed beforehand with the Company Management so that a written proposal can be submitted to increase the fees originally prescribed, also taking into account of the content of the legal and regulatory provisions of reference. It will be your responsibility to transmit any such supplementation to the competent Governance Body. Likewise, if less time should be spent than foreseen, the fees will be reduced proportionately. In addition, as you requested, we confirm our commitment, for the nine year period 2019-2027, to not ask for supplementary fees in case of (1) the introduction of new accounting standards, where we have agreed in advance with the Management that such novelties do not represent significant changes in the audit procedures to be carried out; (2) changes in the mix of professional roles used in the audit procedure, excepting those cases agreed and defined in advance with the Management of the Company.