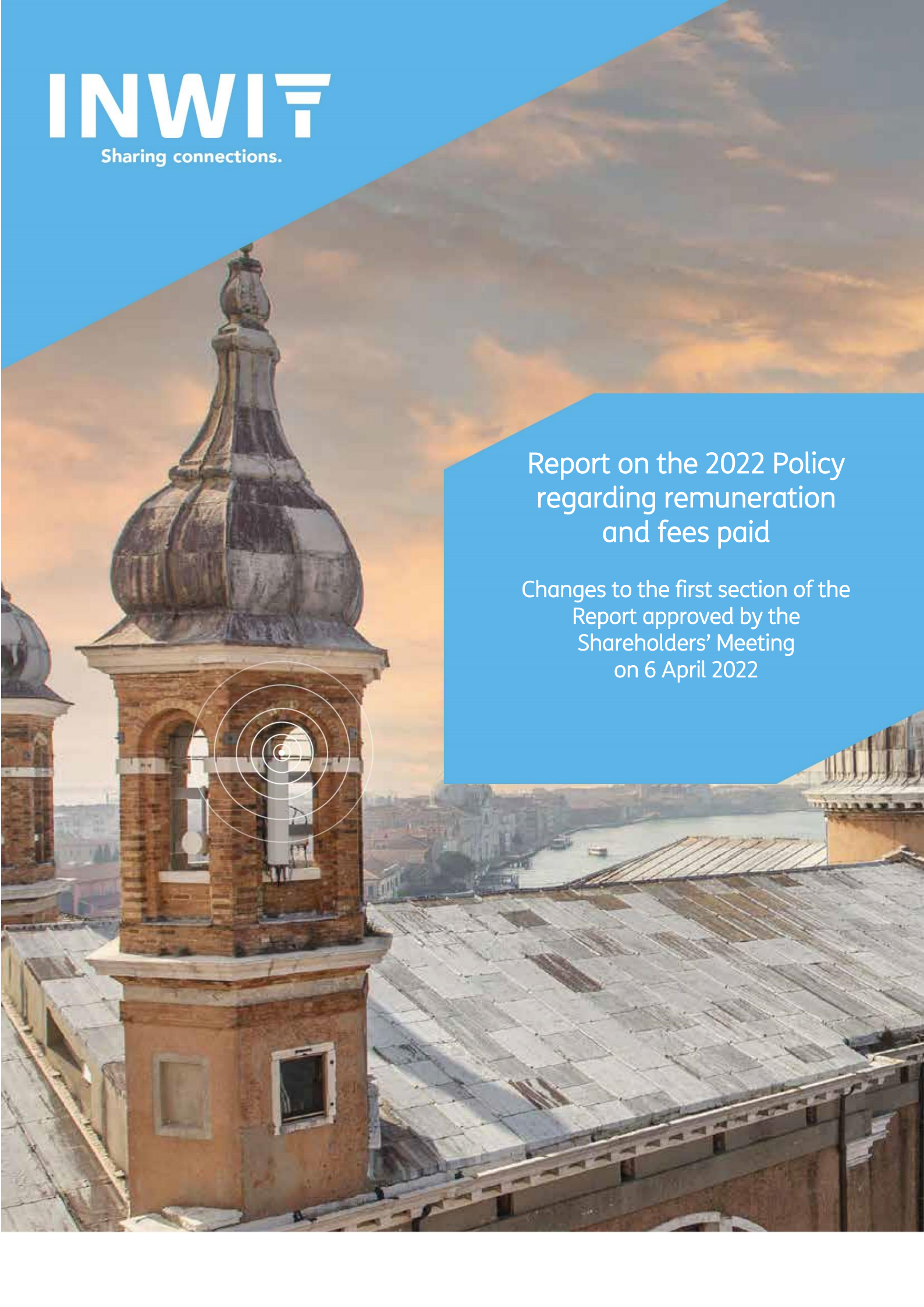


# INWIT

Sharing connections.

## Report on the 2022 Policy regarding remuneration and fees paid

Changes to the first section of the  
Report approved by the  
Shareholders' Meeting  
on 6 April 2022



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## Introduction

Legislative Decree No. 49 of 10 May 2019 (the "Decree"), in transposing Directive (EU) 2017/828 - Shareholder Rights Directive 2, amended Art. 123-ter of the Consolidated Law on Finance ("CLF"); in December 2020 Consob then amended the Regulation adopted by No. 11971/1999, as amended (the "Issuers' Regulation").

Pursuant to the aforementioned art. 123-ter, the Company submits to the shareholders' vote the new Remuneration Policy Report drafted following the changes made after the conclusion on 4 August 2022 of the sale transaction involving the acquisition by Impulse I S.à.r.l. of an equity interest held by TIM S.p.A. equal to 41% of the share capital of Daphne 3 S.p.A. (the "Transaction").

The proposed change to the Remuneration Policy was drafted in light of the findings of a remuneration benchmark carried out with the support of the advisor Korn Ferry-Hay and concerns, in particular, the definition of the emoluments for the Board of Directors, the Internal Committees, the Chairman of the Board of Directors and the fixed remuneration of the Chief Executive Officer, who also holds the position of General Manager.

The Report approved by the Board of Directors on 9 September 2022, at the proposal of the Nomination and Remuneration Committee, was prepared in accordance with Scheme 7-bis of Annex 3A to the Issuers' Regulations in force at the date of preparation of the Report.

The Report is sent to Borsa Italiana and made available to the public at the Company's registered office and on the Company's website at least twenty-one days prior to the date of the Shareholders' Meeting called for 4 October 2022.

Infrastrutture Wireless Italiane S.p.A. is the largest operator in the wireless infrastructure sector in Italy and it builds and manages technological plants and civil structures (towers, pylons and masts) which house radio transmission equipment, mainly to serve telecommunications operators. INWIT’s role of “neutral host” allows it to meet the demand of all the main market operators, both mobile and Fixed Wireless Access (FWA),

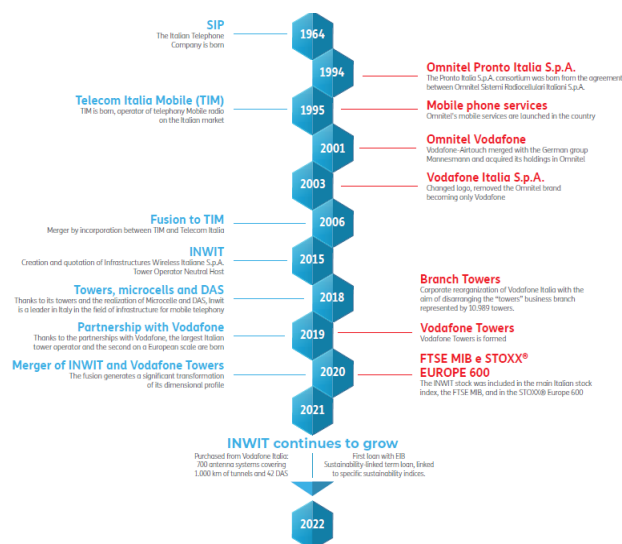
In recent years INWIT has expanded its offer with a series of additional services in the aim of continuing to support the optimisation of wireless services and drive the evolution of towers from a passive infrastructure to a connected, distributed and protected digital infrastructure. Specifically, INWIT builds mobile coverage services through DAS (Distributed Antenna System) systems, which provide optimal coverage of highly frequented sites, both outdoor and indoor, something which is particularly important in view of the ongoing technological transition from 4G to 5G. INWIT contributes significantly to the coverage of wireless telephony services in Italy, increasing its sites with a view to developing new technologies, starting with 5G. All this makes it an essential infrastructure for the development of telecommunication technologies, ensuring coverage and a ramified presence which will contribute significantly to overcoming the digital divide in Italy.

INWIT started out in March 2015 as a spin-off of Telecom Italia's "Tower" branch designated for the operational management, monitoring and maintenance of the group's towers and repeaters.

In March 2020 INWIT started on a path of intense organic growth, achieved through the merger with Vodafone Towers, which significantly transformed its dimensional and strategic profile.

In October 2021, the operation resulting in INWIT’s purchase of around 700 antenna systems covering 1,000 km of road and motorway tunnels, along with 42 DAS systems, was finalised. The tunnel assets includes significant stretches of national road connections in terms of the number, location and the need for mobile phone coverage in tunnels. The DAS included in the transaction cover some important hotels, stadiums, sports facilities and offices.

Pursuant to the sale and purchase agreement, signed on 14 April 2022, for the acquisition by Impulse I S.à.r.l. of an equity investment held by TIM S.p.A. equal to 41% of the share capital of Daphne 3 S.p.A. (“Daphne”), a holding company that holds a 30.2% equity investment in the share capital of INWIT, and the related shareholders’ agreements, on 3 August 2022 the directors of INWIT appointed by Daphne (Giovanni Ferigo, Giovanna Bellezza, Sabrina Di Bartolomeo, Rosario Mazza and Agostino Nuzzolo) resigned from office with effect as of the closing date of the Operation on 4 August 2022.





Therefore, the “*simul stabunt simul cadent*” clause contained in article 13.18 of the INWIT Bylaws was activated, without prejudice to the fact said Directors shall remain in office until the date of the shareholders' meeting, called for 4 October 2022, that will appoint the new Board of Directors.

## Executive Summary

	CHAIRMAN	CEO AND GENERAL MANAGER	KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES
<p><b>FIXED REMUNERATION</b> <i>Rewards the skills, experience and contribution required of the position</i></p>	<ul style="list-style-type: none"> <li>50,000 euros remuneration pursuant to art. 2389 sub-paragraph 1 of the Italian civil code.</li> <li>200,000 euros remuneration pursuant to art. 2389 sub-paragraph 3 of the Italian civil code.</li> </ul>	<ul style="list-style-type: none"> <li>Up to 50,000 euros remuneration pursuant to art. 2389 sub-paragraph 1 of the Italian civil code.</li> <li>Up to 100,000 euros remuneration pursuant to art. 2389 sub-paragraph 3 of the Italian civil code.</li> <li>400,000 euros as General Manager</li> </ul>	<ul style="list-style-type: none"> <li>Accordingly with the complexity of the position</li> <li>Consistency with rules and mechanisms for movement within defined pay bands with the support of specialist advisor Korn Ferry</li> <li>Comparison with the external market</li> </ul>
<p><b>SHORT TERM VARIABLE INCENTIVE (MBO)</b> <i>Monetary plan, incentivizes the achievement of annual financial, non-financial and ESG targets</i></p>		<ul style="list-style-type: none"> <li>300,000 euro target bonus (55% fixed remuneration) as General Manager</li> <li>Performance parameters:               <ol style="list-style-type: none"> <li>Total revenues (weight 20%)</li> <li>EBITDAal INWIT (weight 30%)</li> <li>Recurring Free Cash Flow (weight 20%)</li> <li>New hostings (weight 15%)</li> <li>ESG (weight 15%)</li> </ol> </li> <li>Cap of 150% of target bonus</li> <li>Clawback clause</li> </ul>	<ul style="list-style-type: none"> <li>47% average fixed remuneration</li> <li>Performance parameters:               <ol style="list-style-type: none"> <li>Total revenues (weight 20/25%)</li> <li>EBITDAal INWIT (weight 25/30%)</li> <li>Recurring Free Cash Flow (weight 20%)</li> <li>Functional parameters (weight 15%)</li> <li>ESG (weight 15%)</li> </ol> </li> <li>Cap of 150% of target bonus</li> <li>Clawback clause</li> </ul>
<p><b>LONG TERM VARIABLE INCENTIVE (LTI)</b> <i>Share plan (performance shares), aimed at aligning, over the long term, the actions of Management with the interests of Shareholders</i></p>		<ul style="list-style-type: none"> <li>2022-2024 Rolling plan based on 3 three-year cycles</li> <li>Equity as remuneration pursuant to art. 2389, sub-paragraph 3.</li> <li>No. of target shares for each cycle for a maximum equivalent value of 300,000 euros</li> <li>Performance parameters:               <ol style="list-style-type: none"> <li>Relative Total Shareholder Return (TSR) (weight 40%)</li> <li>Free Cash Flow to Equity (weight 40%)</li> <li>ESG (weight 20%)</li> </ol> </li> <li>Cap of 150% of target bonus</li> <li>Clawback clause</li> </ul>	<ul style="list-style-type: none"> <li>2022-2024 Rolling plan based on 3 three-year cycles</li> <li>No. of target shares for each cycle for an equivalent value equal to 50% of fixed remuneration</li> <li>Performance parameters:               <ol style="list-style-type: none"> <li>Relative Total Shareholder Return (TSR) (weight 40%)</li> <li>Free Cash Flow to Equity (weight 40%)</li> <li>ESG (weight 20%)</li> </ol> </li> <li>Cap of 150% of target bonus</li> <li>Clawback clause</li> </ul>
<p><b>BENEFITS</b> <i>Integration of compensation packages and alignment with market standards</i></p>		<ul style="list-style-type: none"> <li>Company car for mixed use</li> <li>Social security and insurance benefits provided by Fontedir and Assida</li> <li>Directors &amp; Officers policy</li> </ul>	<ul style="list-style-type: none"> <li>Company car for mixed use</li> <li>Social security and insurance benefits provided by Fontedir and Assida</li> <li>Directors &amp; Officers policy</li> </ul>

## SEVERANCE

Indemnities aimed at safeguarding the interests of the company, preventing possible disputes

Indemnity for early termination of office as Director or termination of employment without just cause:

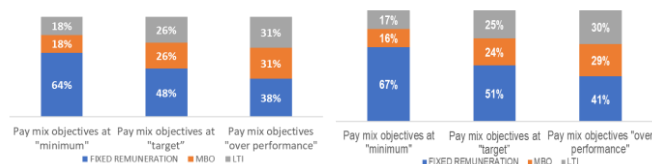
- Maximum 24 months' pay (GAP plus average MBO paid in the last three years) plus any amounts due under the relevant Collective Employment Agreement

Indemnity for termination of employment without just cause:

- Maximum 24 months' pay (GAP plus average MBO paid in the last three years) plus any amounts due under the relevant Collective Employment Agreement

## PAYMIX (%)

Note: The pay-mix indicated for the CEO/GM refers to the maximum value of the proposed fixed remuneration. Any changes due to lower values of recognised remuneration will be reported in the Second Section of the Report regarding remuneration and fees paid to be submitted for voting at the Shareholders' Meeting in 2023.



## OTHER INFORMATION

### BROAD-BASED SHARE OWNERSHIP PLAN

Plan aimed at promoting engagement, strengthening the sense of belonging and encouraging employee participation in the achievement of company results

- Addressed to all employees (excluding the Chief Executive Officer/General Manager and top management)
- In 2020 the free allocation of a package of INWIT ordinary shares to employees took place (about 98% of the company population adhered to the Plan) and the possibility of purchasing additional shares at a 10% discount was introduced (about 80% of the beneficiaries took advantage of this opportunity)
- In 2021, 12 months after the allocation of the bonus shares and/or the purchase of the shares at a discount, where eligible, employees benefited from a bonus share in the ratio of 1:3 of the shares kept

- Adjustment of the emoluments of the Board of Directors, Internal Committees, Chairman of the Board of Directors: and fixed remuneration of the Chief Executive Officer, to the market benchmark values, found during a remuneration benchmark survey carried out by the advisor Korn Ferry

### NEW ASPECTS OF THE POLICY

#### Changes from the 2021 Policy:

- A stronger connection between the Remuneration policy, business strategy and sustainability
- Introduction of new targets to the short- and long-term variable incentive systems with particular reference to ESG parameters
- Increased weight of ESG parameters in long-term variable incentive systems

## INWIT and sustainable success

INWIT is also continuing to pursue a genuine change of paradigm towards the creation of a sustainable business model, in line with the provisions of the new Corporate Governance Code where "sustainable success" materializes in the creation of long-term value to the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company, and which provides that the Board of Directors should promote, in the most

appropriate forms, dialogue with these figures. In this direction, the approval of the Stakeholder Engagement policy by the Board of Directors on 13 May 2021 was a significant step.

The Sustainability Plan, fully integrated with the Industrial Plan, has also been updated to 2024 and provides for the development of initiatives and projects focused on 5 areas of commitment, Governance, People, Environment, Innovation, Community. For further details, please refer to the documentation published on the company website.

Exactly one year after adhering to the principles of the Global Compact promoted by the United Nations on human rights, labour standards, environmental protection and anti-corruption, INWIT drafted its first COP (Communication on Progress) in November 2021, confirming its willingness to integrate the ten principles into the Company's strategy, culture and daily operations. Furthermore, in order to strengthen its commitment in terms of inclusion and sustainability, INWIT has signed the Women's Empowerment Principles promoted by the UN Global Compact and UN Women.



# FIRST SECTION: 2022 REMUNERATION POLICY

## 1. GOVERNANCE OF THE REMUNERATION PROCESS

The INWIT Remuneration Policy has been drawn up in accordance with the guidelines on remuneration contained in the current Corporate Governance Code of Borsa Italiana S.p.A. (hereinafter the “Corporate Governance Code”), in the January 2020 version.

INWIT adopted the Corporate Governance Principles with a resolution of the Board of Directors on 27 February 2015, subsequently modified by resolutions on 21 December 2015 and 13 May 2021. Pursuant to the Company’s related party transaction procedure (which can be viewed on the website [www.INWIT.it](http://www.INWIT.it) – Governance section), any decision on the remuneration of Directors and Key Managers that comply with the Remuneration Policy submitted to the General Shareholders' Meeting are considered irrelevant and thus do not fall within the scope of CONSOB regulation No. 17221/2010. In the case of applying exceptions to the Remuneration Policy, INWIT plans to submit the relevant resolutions of the Board of Directors to the Procedure for related party transactions.

The Remuneration Policy is defined in a transparent manner through a process that involves the bodies indicated below.

### Shareholder’s Meeting

#### SHAREHOLDERS' MEETING

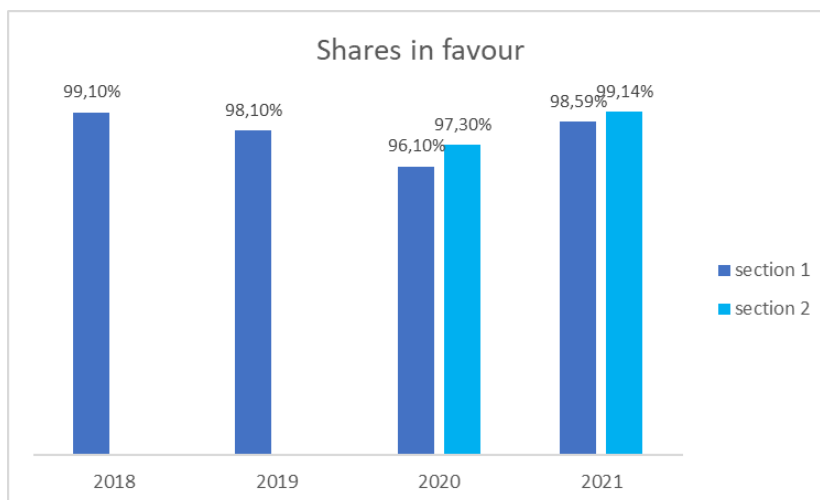
- Expresses itself annually, with binding vote, on the first section of the Remuneration Report, containing the remuneration policy for the year after the one reported. Also expresses itself with non-binding vote on the second section
- Defines the total gross annual remuneration of the Board of Directors, on the basis of proposals made by shareholders when submitting the lists of candidates, in view of the appointment of the new Board
- Passes resolutions, upon proposal of the Board of Directors, on any remuneration plans providing for the assignment of financial instruments to Directors and employees, including Key Managers with Strategic Responsibilities.

For the sake of completeness, the record of votes by the Shareholders' Meeting held on 20 April 2021 is provided in Section I: the number of shares present at the Shareholders' meeting was 814,420,291, representing 84.82% of the ordinary share capital.

	Number of shares	Section 1
Shares in favour	802.965.230	98,59%
Shares against	8.852.128	1,09%
Abstentions	1.259.603	0,15%
No vote	1.343.330	0,16%



	Number of shares	Section 2
Shares in favour	807.437.218	99,14%
Shares against	4.936.724	0,61%
Abstentions	703.019	0,09%
No vote	1.343.330	0,16%



The percentages of shares in favour were calculated on the total number of shares represented in the Shareholders' Meeting.

Following the 2021 Shareholders' Meeting, INWIT has launched, with the assistance of the consulting firm Morrow Sodali, a Shareholder engagement plan, through a structured process aimed at discussing relevant remuneration aspects with Shareholders and proxy advisors and exploring them further.

It should be noted that the Report on the 2022 policy regarding remuneration and fees paid, submitted to the vote of the Shareholders' Meeting of 6 April 2022, received 99.12% of votes in favour on the First Section and 99.87% on the Second Section.

## Board of Directors

The Board of Directors in office was appointed by the Shareholders' Meeting of 20 March 2020 and took office from the date of completion of the merger of Vodafone Towers into INWIT (31 March 2020). The Board is composed of 13 members, of whom five members meet the independence requirements of Legislative Decree No. 58/1998 and of the Corporate Governance Code.

On 31 March 2020, the Board of Directors appointed Emanuele Tournon as Chairman of the Board of Directors without executive powers, and Giovanni Ferigo as Chief Executive Officer of INWIT also with the role of General Manager of the Company.

## BOARD OF DIRECTORS

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- Approves the Remuneration Report pursuant to Article 123-ter of the CLF, upon proposal of the Nomination and Remuneration Committee

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  - Approves the subdivision of the total remuneration assigned by the Shareholders' Meeting to the Board of Directors — in the event the Shareholders have not taken any decision thereon — based on the proposals submitted by the Nomination and Remuneration Committee

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  - Determines the remuneration of Directors who hold special positions, based on the proposals made by the Nomination and Remuneration Committee and after consulting with the Board of Statutory Auditors

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  - Defines, at the proposal of the Nomination and Remuneration Committee, a policy for the remuneration of the Executive Directors and Key Managers with Strategic Responsibilities

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  - Submits proposals to the Shareholders' Meeting on any remuneration plans providing for the assignment of financial instruments to Directors and employees, including Key Managers with Strategic Responsibilities.
- 

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee, appointed on 23 April 2020, comprises three Directors, the majority of whom are independent. On 9 August 2022, the Board of Directors appointed the independent director Secondina Giulia Ravera as member of the Committee in place of Rosaria Mazza (former chair of the Committee) who no longer meets the independence requirements given the share ownership structure ensuing from the Transaction. The Committee is therefore composed as follows: Laura Cavatorta, Chairman; Antonio Corda and Secondina Giulia Ravera.

The Board of Statutory Auditors is always invited to the Committee's meetings and attends in the person of the Chairman of the Board or, if the latter is unable to attend, another Statutory Auditor designated by the same.

The issues dealt with by the Committee are reported to the Board of Directors.

The Committee meets regularly and as frequently as required to perform its functions.

The table below shows the tasks of the Committee as regards remuneration aspects:

## NOMINATION AND REMUNERATION COMMITTEE

- Proposes the criteria for allocating the total annual compensation established by the Shareholders' Meeting for the whole Board of Directors

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- Proposes to the Board of Directors the definition of the remuneration policy for Directors and Key Managers with Strategic Responsibilities

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- Periodically evaluates the adequacy, overall consistency and actual application of the policy for the remuneration of Directors and Key Managers with Strategic Responsibilities, also on the basis of the information provided by the managing directors, and formulates proposals to the Board of Directors in that regard

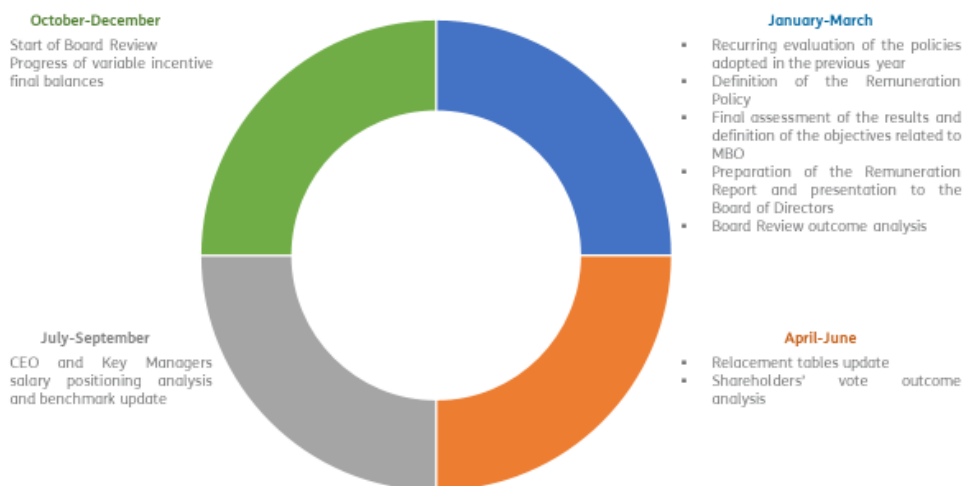
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- Examines, with the assistance of the Human Resources Function, the remuneration policy for managers, with specific regard to the Key Managers with Strategic Responsibilities

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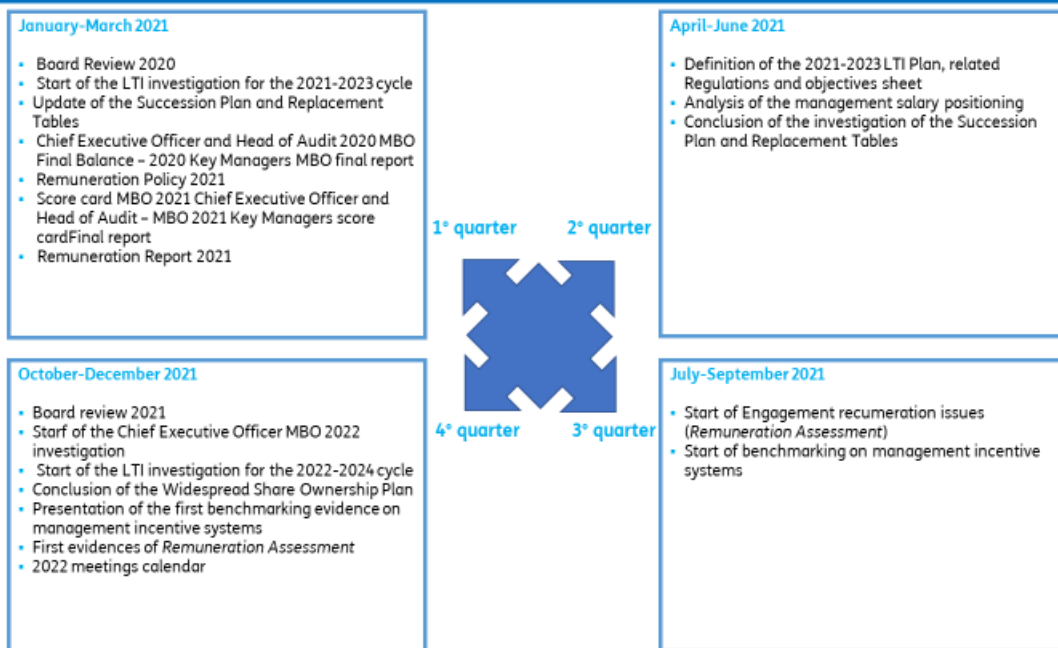
- Submits proposals or issues opinions to the Board of Directors for the remuneration of Executive Directors and other Directors who cover particular offices as well as for the identification of performance objectives related to the variable component of that remuneration; monitors the implementation of decisions adopted by the Board of Directors and verifies, in particular, the actual achievement of performance objectives.

### Annual cycle of NRC activities



The main activities carried out by the Nomination and Remuneration Committee, with the support of the Human Resources department, are summarised below for each quarter of 2021.

Number of meetings **9** Participation rate **100%** AVERAGE DURATION OF MEETINGS **2** hours and **20** minutes



## Board of Statutory Auditors

The Board of Statutory Auditors was appointed by the Shareholders' meeting of 20 April 2021 and will remain in office until approval of the financial statements for the year ending 31 December 2023. The Board of Statutory Auditors is made up of: Stefano Sarubbi (Chairman) and Standing Auditors Maria Teresa Bianchi and Giuliano Foglia. The alternate Auditors are Michela Zeme and Roberto Cassader.

The Board of Statutory Auditors expresses the opinions required by current legislation on the proposed remuneration of Executive Directors holding specific offices. Pursuant to the Company's Corporate Governance Principles, it also expresses its opinion on the remuneration of the heads of the control department, and oversees the correct implementation of the corporate governance rules on resolutions on remuneration and other benefits.

## Other subjects

Within the scope of its assigned powers and responsibilities, the *Human Resources* department prepares the proposal for the Remuneration Policy and submits it to the Nomination and Remuneration Committee. The involvement of the Sustainability Committee is also envisaged for the definition of non-financial (ESG) objectives in the short- and long-term incentive schemes.

The *Administration, Finance & Control* department contributes to the definition and final accounting of the economic-financial indicators envisaged in the short- and long-term incentive systems and verifies the economic-financial sustainability of the same.

## 2. AIMS AND GENERAL PRINCIPLES OF THE POLICY

The 2022 Remuneration Policy is defined in accordance with the governance model adopted by the Company and with the recommendations of Borsa Italiana's Corporate Governance Code.

The Remuneration Policy 2022 confirms the relevance of incentive systems, both short and long-term, to emphasise how the creation of sustainable value and remuneration of management are aligned.

The INWIT Remuneration Policy sets out to:

- encourage the alignment of management interests with the creation of sustainable value for stakeholders in the medium-long term, ensuring compliance with the Pay for Performance criterion;
- attract, retain and motivate people with a high professional and managerial profile who are a determining factor for sustaining the innovation and growth of the Company;
- ensure a competitive remuneration package of the Chief Executive Officer and General Manager and Managers with Strategic Responsibilities with respect to the best market practices, through positioning analyses and remuneration benchmarks produced with the support of highly specialised advisors;
- ensure an adequate balance between the fixed component of remuneration and the variable component, correctly divided into short-term and long-term variables, in line with the Company's sustainable growth objectives;
- ensure consistency with the responsibilities of the position and valorise the performance rendered;
- ensure compliance with the principles of inclusion and meritocracy, guaranteeing internal equity and valorising all forms of diversity;
- promote employee engagement and strengthen the sense of belonging, through instruments that encourage direct participation in achieving objectives and company performance.

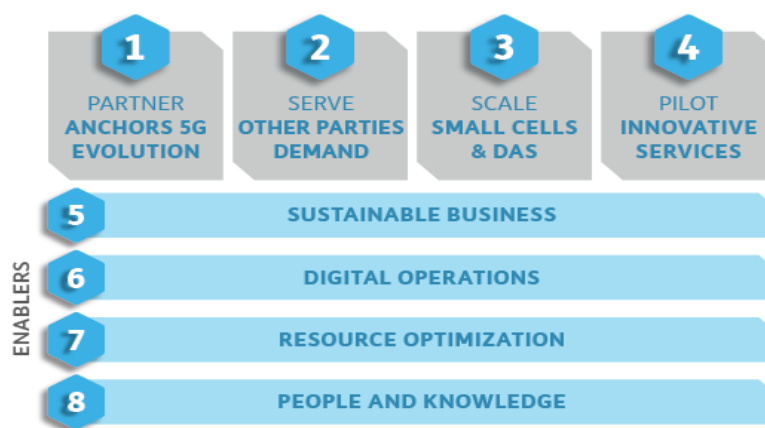
## 3. CONNECTION WITH STRATEGY AND SUSTAINABILITY

INWIT's remuneration systems are defined in close correlation with the Strategic Plan and the Sustainability Plan, so as to direct Management's behaviour and actions towards the Company's overall performance objectives in keeping with the expectations of Shareholders and Stakeholders in the medium-long term.

The objectives connected with variable incentive systems are identified in such a way as to be predetermined and measurable as well as guaranteeing the right balance between short and long term time horizons and between economic performance-sustainable business development and operating performance.

A representation of the pillars underlying the Strategic Plan and the 2022-2024 Sustainability Plan is provided below, highlighting the connection between the strategy and INWIT's Remuneration Policy.

GROWTH PILLARS



	Strategic pillars of the Industrial plan	Value created for the stakeholders	Short term incentive	Long term incentive	
1	Strengthen partnerships, vision and opportunities for industrial collaboration with anchor tenants, to increase the creation of shared value	<p><b>Upgrade and expansion of assets in Italy.</b> A significant investment plan is envisaged to strengthen existing facilities and construct new sites.</p> <p><b>Reducing Digital Divide.</b> The promotion of projects aimed at enabling coverage of smaller municipalities and rural areas is planned so as to reduce the Digital Divide. To this purpose the high demand for coverage from FWA operators will be served.</p>	<ul style="list-style-type: none"> <li>New Hostings</li> <li>Total Revenues</li> <li>EBITDAal</li> <li>Recurring Free Cash Flow</li> </ul>	<ul style="list-style-type: none"> <li>Free Cash Flow to Equity</li> <li>Relative Total Shareholders Return</li> </ul>	
	Provide services to other operators rapidly and efficiently		<ul style="list-style-type: none"> <li>Infrastructures to reduce the digital divide</li> </ul>		
	To be a frontrunner in the development of the small cell and DAS market		<p><b>Expanded coverage of social areas.</b> The Company aims to develop and consolidate digital infrastructures, strengthening the coverage of areas with a high social and cultural vocation, such as hospitals, museums and universities.</p>	<ul style="list-style-type: none"> <li>Total Revenues</li> <li>EBITDAal</li> <li>Recurring Free Cash Flow</li> </ul>	
	Invest in innovation to support new business		<p><b>Digital innovation.</b> On the innovation front, INWIT intends to offer hosting to multiple technologies through a tower upgrade that will look to smart cities, the Internet of Things and drones.</p>	<ul style="list-style-type: none"> <li>Reduction of CO2 Emissions</li> <li>New Hostings</li> </ul>	<ul style="list-style-type: none"> <li>Free Cash Flow to Equity</li> <li>Relative Total Shareholders Return</li> </ul>
ENABLERS	Sustainable Business		<ul style="list-style-type: none"> <li>Reduction of CO2 Emissions</li> </ul>	<ul style="list-style-type: none"> <li>ESG Indexes and Ratings</li> </ul>	
	Digital Operations		<ul style="list-style-type: none"> <li>New Hostings</li> <li>Infrastructures to reduce the digital divide</li> </ul>		
	Resource Optimization		<ul style="list-style-type: none"> <li>Reduction of CO2 Emissions</li> </ul>	<ul style="list-style-type: none"> <li>Free Cash Flow to Equity</li> </ul>	
	People and Knowledge			<ul style="list-style-type: none"> <li>Reduction of the Gender Pay Gap</li> </ul>	



## 4. STAKEHOLDER ENGAGEMENT

Starting from the awareness that relations with stakeholders are an integral part of responsible and sustainable business management and fundamental to the value creation process for the Company, INWIT has undertaken a path intended to strengthen the engagement process with its stakeholders.

The commitment to consolidate and strengthen relations with stakeholders, by virtue of solid value creation, is in line with the indications contained in the new Corporate Governance Code: in the Code "sustainable success" materializes in the creation of long-term value to the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Company, and which provides that the Board of Directors should promote, in the most appropriate forms, dialogue with these figures. In this direction, the approval of the Stakeholder

Engagement policy envisaged in the Sustainability Plan by the Board of Directors on 13 May 2021 was a significant step.

In line with the path taken, INWIT organized its 1st Stakeholder Forum on 18 May 2021, at which the sustainability journey launched by the Company in 2020 was discussed, and the 2nd Stakeholder Forum, held on 3 May 2022, at which the update of the Sustainability Plan 2022-2024 was presented and the second Integrated Report published.



## 5. MAIN CHANGES TO INWIT'S REMUNERATION POLICY

The update of the first section of the Report approved by the Shareholders' Meeting on 6 April 2022, became necessary in the light of INWIT's new governance and corporate structure following the aforementioned Transaction.

As anticipated in the Introduction, the update of the emoluments for the Board of Directors, the Internal Committees, the Chairman, and the Chief Executive Officer's fixed remuneration was drafted in the light of the findings of a remuneration benchmark survey carried out with the support of the specialized advisor Korn Ferry-Hay so as to align the aforementioned remuneration with the practices of the reference market.

No changes are expected to be made to the short- and long-term variable incentive systems defined in the 2022 Remuneration Report, approved by the Shareholders' Meeting of 6 April 2022, the changes to which compared to the previous year's remuneration policy are summarised below.

### Short-term incentive systems

In order to make INWIT's Remuneration Policy increasingly aligned with best practices and functional to the achievement of corporate objectives, over 2021, with the support of the consulting firm Mercer, the Company carried out an assessment of the existing short-term incentive plan and a benchmarking activity to examine the best

market practices, with particular reference to industrial companies belonging to the FTSE MIB index and an additional 15 European industrial companies operating in businesses similar and comparable to INWIT.

The evidence emerging from the assessment activity and the benchmark analysis made it possible to redefine the structure of INWIT's short-term incentive system, providing in particular for:

- a higher incidence of the short-term variable remuneration component relative to total remuneration for Managers with Strategic Responsibilities;
- the elimination of the target gate to the entire incentive system, in line with market practices;
- the modification of ESG objectives in order to strengthen their alignment with the Company's sustainability strategy.

### Long-term incentive systems

With a view to ensuring greater alignment with the Company's sustainability strategy and in line with market expectations, the ESG objective of INWIT's long-term incentive system was modified and its relative weight was increased.

## 6. GUIDELINES AND INSTRUMENTS OF THE REMUNERATION POLICY 2022

### Duration of the remuneration policy

This Remuneration Policy has an annual duration so as to ensure continuous dialogue with Shareholders and facilitate their involvement in defining the guidelines of the Company's Remuneration Policy while simultaneously maintaining the flexibility required to promptly respond to the future needs of an extremely dynamic market context..

The Company will therefore submit the Remuneration Policy to the Shareholders' Meeting for approval from year to year. If the Shareholders' Meeting does not approve the Remuneration Policy proposed, the Company will pay remuneration in accordance with the last Policy approved by the Shareholders' Meeting.

The 2022 Remuneration Policy updated following the aforementioned new governance and corporate structure of INWIT is described below.

### Remuneration of the Chairman and non-executive Directors

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 total remuneration for the Board of Directors will be the object of a resolution by the Shareholders' Meeting called for 4 October 2022, which will also be called on to resolve on the renewal of the Board of Directors.

The Board of Directors proposes to the shareholders to set a maximum of 1,100,000 euros for the total gross annual remuneration of the Board of Directors pursuant to art. 2389, sub-paragraph 1 of the Italian civil code, including the emoluments for participation in internal committees.

The emoluments proposed below for the members of the Board of Directors and the internal committees pursuant to art. 2389, sub-paragraph 1 of the Italian civil code have been defined in line with the findings of the remuneration benchmark survey conducted by the advisor Korn Ferry-Hay<sup>1</sup>; in particular, an increase of 5,000 euros gross per annum is expected to be added to the remuneration for participation in the internal committees:

- 50,000 euros gross per year as remuneration for each member of the Board of Directors;
- 30,000 euros gross per year as remuneration for the Chairman of the Control and Risk Committee and 25,000 euros gross per year as remuneration for each other member of that Committee;
- 25,000 euros gross per year as remuneration for the Chairman of the Nomination and Remuneration Committee and 20,000 euros gross per year as remuneration for each other member of that Committee;
- 25,000 euros gross per year for the Chairman of the Related Parties Committee and 20,000 euros gross per year for each other member of that Committee;
- 25,000 euros gross per year for the Chairman of the Sustainability Committee and 20,000 euros gross per year for each other member of that Committee.
- 5,000 euros gross per year as remuneration of the Director who holds the office of Lead Independent Director.

The Board of Directors also proposes, for the Chairman of the Board of Directors, a gross annual remuneration pursuant to art. 2389, sub-paragraph 3 of the Italian civil code, amounting to 200,000 euros, in addition to the gross annual remuneration of 50,000 euros as a member of the BoD pursuant to art. 2389, sub-paragraph 1 of the Italian Civil Code.

#### REMUNERATION OF THE CHAIRMAN AND NON-EXECUTIVE DIRECTORS

Chairman of the BoD	€50,000 fixed fee pursuant to art. 2389 sub-par. 1 of the Italian Civil Code €200,000 fixed fee pursuant to art. 2389 sub-par. 3 of the Italian Civil Code		
Member of the BoD	€50,000	Lead Independent Director	€5,000
Nomination and Remuneration Committee		Control and Risk Committee	
Chairman	€25,000	Chairman	€30,000
Member	€20,000	Member	€25,000
Related Parties Committee		Sustainability Committee	
Chairman	€25,000	Chairman	€25,000
Member	€20,000	Member	€20,000

In accordance with best practices, the remuneration of non-executive Directors does not include a variable component and is not therefore correlated with the Company's financial results.

Directors were also granted a reimbursement of expenses incurred in performing tasks connected with their position (e.g. travel tickets and accommodation).

<sup>1</sup> The Benchmark was developed using the Korn Ferry Non-Executive Director Europe Data Base from which companies comparable with INWIT were selected, representing large Italian listed companies and comparable European companies in terms of Business Proximity.

Directors have insurance cover for third-party liability (professional risks), known as the Directors & Officers policy.

For non-executive Directors there are no agreements that provide compensation in the event of early termination of their contract with INWIT.

The members of the Board of Directors in office as of the date of this Report will receive, until the appointment of the new Board, the remuneration determined by the Shareholders' Meeting of 20 March 2020 amounting to a total of 900,000 euros per annum gross, as allocated by the Board of Directors in its meeting of 11 May 2020, at the proposal of the Nomination and Remuneration Committee.

## Remuneration of Members of the Control Bodies

The Shareholders' Meeting on 20 April 2021 appointed the Board of Statutory Auditors for the three-year period 2021-2023, determining a gross annual remuneration of 75,000 euros for the Chairman and 55,000 euros for each Standing Auditor, plus reimbursement of documented expenses incurred.

The Board of Directors appointed the Supervisory Body pursuant to Legislative Decree 231/2001 as of 5 May 2020 and until approval of the financial statements as at 31 December 2022. The gross annual remuneration confirmed by the Board of Directors on 26 April 2021 is 40,000 euros for the Chairman, 5,000 euros for each of the members holding the position of Standing Auditor, and no additional remuneration for the internal member.

### REMUNERATION OF THE CONTROL BODIES

Board of Statutory Auditors		Supervisory Body	
Chairman	<b>€70,000</b>	Chairman	<b>€40,000</b>
Standing auditor	<b>€50,000</b>	Standing auditor member	<b>€5,000</b>
		Internal member	<b>0 €</b>

## Remuneration of the Chief Executive Officer and General Manager

The Chief Executive Officer is also the Company's General Manager.

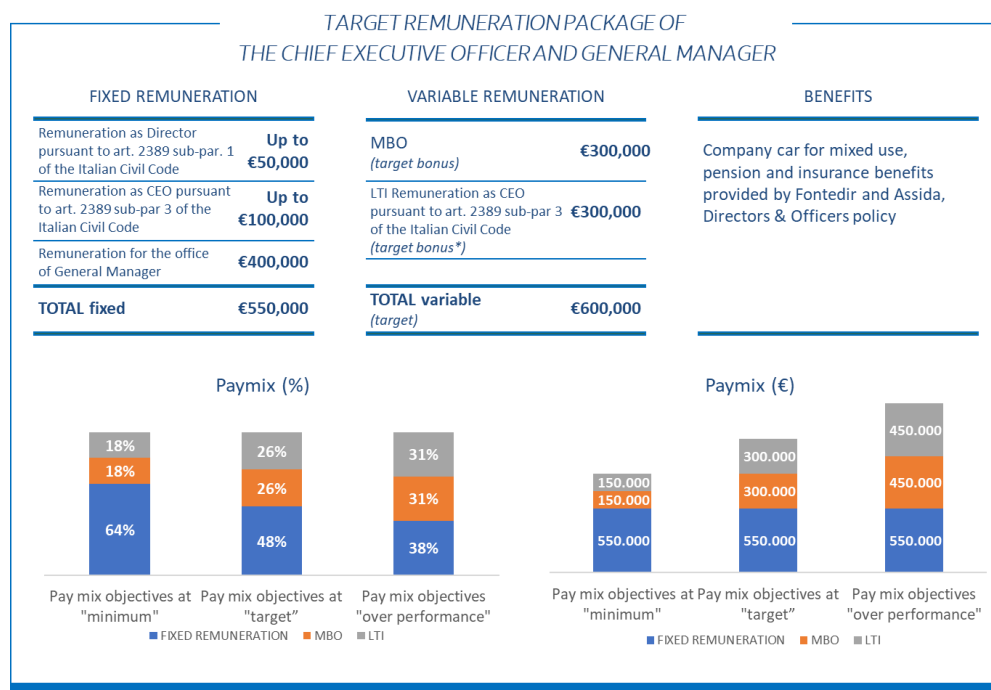
The remuneration of the Chief Executive Officer and General Manager described below will be proposed at the Shareholders' Meeting on 4 October 2022. In the absence of approval, the Chief Executive Officer and General Manager to be appointed will receive the remuneration indicated in the Remuneration Policy 2022, as approved by the Shareholders' Meeting on 6 April 2022.

### Peer Group

In order to define the remuneration of the Chief Executive Officer and General Manager, a remuneration benchmark was carried out with the assistance of Korn Ferry-Hay. The benchmark consists of a panel of 16 companies selected on the basis of qualitative criteria and indicators (such as business proximity and HQ location in Europe) and quantitative indicators (e.g., market cap, revenues, number of employees).

An in-depth study was also carried out through the Korn Ferry-Hay database, with reference to the selected Market, Executive Italy: Business Managers of Large Italian Listed Industrial Companies positions, with equal organizational complexity (position weight).

The total remuneration (fixed salary and short- and long-term variable remuneration) proposed is below the median values of the reference market.



Note: The pay-mix represented refers to the maximum value of the proposed fixed remuneration for the CEO/GM. Any changes due to lower values of recognised remuneration will be reported in the Second Section of the Report regarding remuneration and fees paid to be submitted for voting at the Shareholders' Meeting in 2023.

## Fixed Remuneration

The fixed remuneration of the Chief Executive Officer and General Manager consists of:

- remuneration pursuant to art. 2389 sub-paragraph 1 of the Italian civil code, as a member of the Board of Directors, established as an amount up to 50,000 euros gross per annum;
- remuneration pursuant to art. 2389 sub-paragraph 3 of the Italian civil code, as Chief Executive Officer, established as an amount up to 100,000 euros gross per annum;
- gross annual pay (GAP) for the General Manager of 400,000 euros gross per annum, as remuneration for the employment relationship.

## Variable Remuneration

The variable remuneration of the Chief Executive Officer and General Manager consists of:

- short-term variable incentive system (MBO) for the position of General Manager, set at an amount equal to 300,000 euros gross upon achievement of "target" objectives, with a cap set at 450,000 euros in the case of achievement of objectives at the maximum level;
- long-term variable incentive scheme (LTI) for the position of Chief Executive Officer pursuant to art. 2389 sub-paragraph 3 of the Italian civil code, set as a target number of Performance Shares assigned for each Plan cycle equal to a maximum equivalent value of 300,000 euros gross, with a cap set at 450,000 euros gross in the case of achievement of the objectives at the maximum level.

### Short Term Variable Remuneration (MBO)

Management by Objectives (MBO) is the short term variable bonus tool that aims to support the achievement of the Company's annual objectives through the attribution of challenging targets.

The target bonus is determined as a percentage of the fixed remuneration, defined according to the complexity of the position occupied and aligned with the remuneration data observed in the external market.

The variable short-term remuneration, corresponding to achievement of the target is 55% of fixed remuneration and therefore 300,000 euros, with a cap set at 450,000 euros (150% of the target).

Objectives are measured according to predefined and objective criteria, have a scale of achievement with the target level usually equal to the budget value, and minimum and maximum levels defined in a variable range depending on the specific objective.

The scorecard defined for the 2022 MBO envisages:

OBJECTIVES	WEIGHT	MINIMUM	TARGET	MAXIMUM
EBITDAal	30%	-1% vs. target	€million (budget)	+1% vs. target
Total Revenues	20%	-1% vs. target	€million (budget)	+1% vs. target
Recurring Free Cash Flow	20%	-1% vs. target	€million (budget)	+1% vs. target
New Hostings towards anchor tenants and third party customers	15%	-10% vs. target	Hostings invoiced (budget)	+10% vs. target
ESG	15%	a) -10% vs. target	a) number of systems activated	a) +10% vs. target
b) Reduction of CO <sub>2</sub> emissions (Environment)		b) -10% vs. target	b) tons of CO <sub>2</sub> avoided	b) +10% vs. target

All the KPIs on the score card are finalised after the end of the financial year 2022. The bonus deriving from finalisation of the MBO will therefore be paid in the following year.



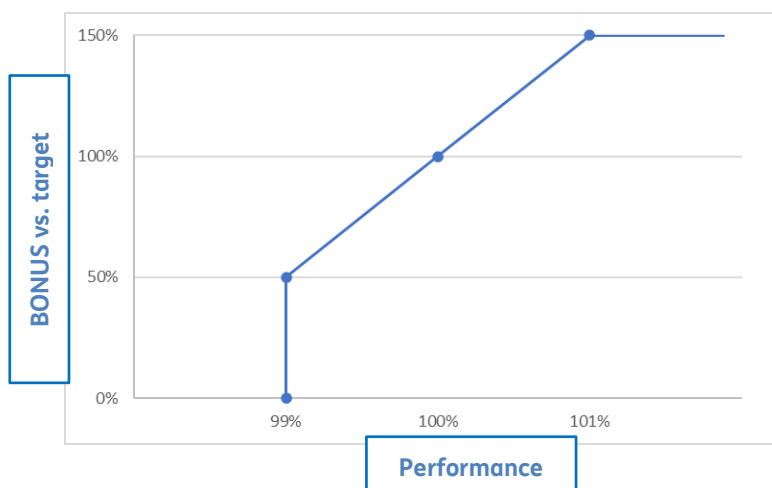
The incentive curve provides for minimum, target and maximum levels of achievement for each KPI according to the following pay-out scale:

- no bonus accrues below the minimum level;
- at the minimum level, 50% of the target bonus accrues;
- at the target level, 100% of the bonus accrues (*target bonus*);
- at the maximum level, 150% of the target bonus accrues - cap;

Intermediate achievement levels are evaluated by linear interpolation.

In cases of performance above the maximum level, there is a cap on pay-out equal to 150% of the target bonus.

The MBO incentive strategy for economic and financial performance objectives is shown below:



The KPIs of the ESG objective are in line with the targets set out in the Corporate Sustainability Plan, integrated with the Strategic Plan.

### Variable Long-Term Remuneration - Current LTI Plan

The Chief Executive Officer is included among the beneficiaries of the Company's Long-Term Equity Incentive Plan (LTI Plan) approved by the Board of Directors on 24 June 2020 and the Shareholders' Meeting on 28 July 2020.

The Plan pursues the following objectives:

- to align the interests of the Beneficiaries with those of the Shareholders through the use of share incentive tools;
- to develop strong engagement by Beneficiaries with the achievement of the growth objectives defined in the Strategic Plan over the next three year period, including sustainability goals (ESGs);
- to increase the weight of the variable component of the total remuneration of the Beneficiaries that is linked to the achievement of the performance parameters, pursuant to the recommendations of the Corporate Governance Code;
- to guarantee the retention of management and key roles by improving INWIT's competitive positioning on the employment market.

The 2020-2024 LTI Plan applies to the Chief Executive Officer and General Manager, all the positions reporting directly to the Chief Executive Officer - including the Company's Managers with Strategic Responsibilities - and other key roles selected based on the criticality of the position and worth of the holder.

This is a rolling share performance plan based on the activation of three 3-year attribution cycles to Beneficiaries of Rights to receive free shares at the end of the three-year vesting period.

At the end of the Vesting Period, 30% of the shares granted will be subject to a lock-up period of 2 years. During this period, the allocated shares subject to lock-up may not be transferred and/or sold, other than in *mortis causa*, nor may they be subject to pledges of any kind. The lock-up does not apply to additional shares granted to beneficiaries as dividend equivalents.



The number of Performance Shares recognised on target at the moment each cycle of the Plan is assigned and shown in the individual Allocation Letter, corresponds to a percentage of fixed remuneration, expressed in Shares at the normal value of the share at the date of assignment.

Specifically, the number of Performance Shares assigned to the Chief Executive Officer and General Manager is 300,000 euros gross, equal to 55% of fixed annual remuneration (Gross Annual Pay + remuneration pursuant to art. 2389 sub-paragraphs 1 and 3 of the Italian civil code) for each cycle of the Plan.

Accrual of the right to receive the share incentive is subject to three performance conditions, independent of each other and each with its own weight, related to the Strategic Plan objectives. If the performance parameters are not achieved, the shares will not be allocated.

The performance parameters envisaged for the third cycle of the 2022-2024 Plan and the related LTI incentive strategy for TSR and Free Cash Flow to Equity (FCFE) objectives are shown below. The mechanisms for operating the performance parameters are defined in the Regulations of the 3rd Cycle of the Plan.

- The **relative Total Shareholder Return** measures the positioning of INWIT's TSR against a peer group made up of: American Tower, Crown Castle, SBA, Cellnex, INWIT, RAI WAY, Vantage Towers and the FTSE MIB index. The relative TSR is calculated assuming reinvestment of share dividends in the vesting period.

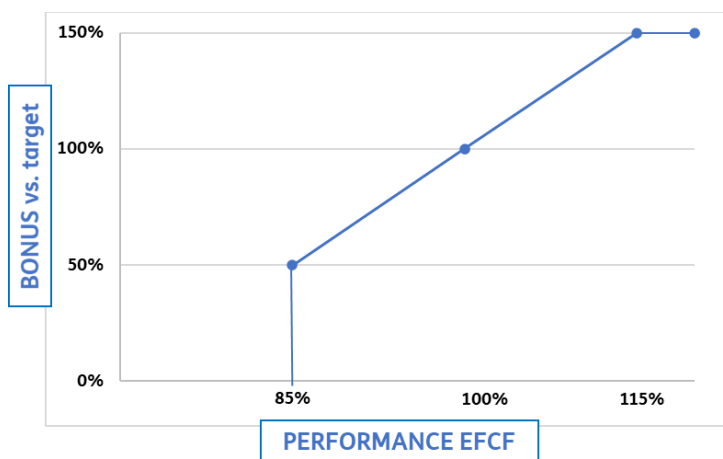
The ranking position related to the percentage of bonus is indicated below.

POSITIONING OF INWIT TSR IN RANKING	8 <sup>th</sup> PLACE	7 <sup>th</sup> PLACE	6 <sup>th</sup> PLACE	5 <sup>th</sup> PLACE	4 <sup>th</sup> PLACE	3 <sup>rd</sup> PLACE	2 <sup>nd</sup> PLACE	1 <sup>st</sup> PLACE
PERCENTAGE BONUS	0	0	0	50%	100%	125%	150%	150%

If INWIT's absolute TSR in the three-year reference period is negative (< 0), the maximum percentage of bonus payable will be 100% and the ranking of the bonus will be rescaled accordingly.

- Free Cash Flow to Equity (FCFE): this is calculated as Unlevered Free Cash Flow net of financial costs or income and represents the actual cash flow generated, taking into account investments in working capital and investments necessary for operating, maintaining and developing activities in the long term (cash flow available to shareholders and lenders).

	MINIMUM	TARGET	MAXIMUM
<b>EFCF</b>	-15% vs. target	2022-2024 plan value (€ Million)	+15% vs. target
<b>Percentage bonus</b>	50% of the bonus	100% of the bonus	150% of the bonus



- ESG objective made up of two parameters of equal weight:
  - Reduction in the gender pay gap over the three-year period of the plan, KPI measured on fixed remuneration (People). At target level, a reduction of about 9 percentage points is expected compared to 2021 (gender pay gap 2021 equal to 21%).
  - ESG (Governance) sustainability indexes/ratings At target level, an upgrade of the ESG rating is expected and at maximum level the inclusion of INWIT in the main ESG indexes.

	MINIMUM	TARGET	MAXIMUM
Gender Pay Gap	Total population 14%	Total population 12%	Total population 10% + reduction to zero for employees
ESG Indexes and Ratings	Rating maintained	Rating upgrade	Rating upgrade + inclusion in the main ESG indexes.
Percentage of bonus	50% of the bonus	100% of the bonus	150% of the bonus

For further details, reference should be made to the Information Document drafted pursuant to article 114-bis of Legislative Decree no. 58 of 24 February 1998 ("CLF") and art. 84-bis of the Regulations adopted by Consob with resolution no. 11971 of 14 May 1999 as subsequently supplemented and amended ("Issuers' Regulations"), published on the Company's website [www.inwit.it](http://www.inwit.it) Governance section.

### Claw Back mechanisms

The Company has the right to demand repayment of variable remuneration paid, both short-term and long-term, if it has been disbursed or calculated on the basis of data which subsequently prove to be manifestly incorrect.

### Benefits

The Chief Executive Officer is beneficiary of the benefits provided for by INWIT policies for employees categorised as executives, in addition to those provided for by the Collective Employment Agreement (CCNL) for Executives of Enterprises Producing Goods and Services.

In particular, the following are provided for:

- a car for mixed private and company use, the established value of which is subject to tax and contributions as required by applicable laws;
- voluntary access to welfare and insurance services provided by the Fontedir (Fondo Pensione Complementare Dirigenti) and Assida (mutual voluntary association for complementary medical care for Executives);
- third-party liability (professional risks) insurance cover, known as the Directors & Officers policy, underwritten by the Company and renewed annually. It covers all managerial staff and members of the company bodies.

### Severance

On 29 July 2019, the Board of Directors approved the policy on severance pay for Executive Directors and Managers with Strategic Responsibilities.

The employment contract as General Manager is for an indefinite period.

INWIT's Severance policy applies in the event of early termination of office as director or termination of employment without just cause.

In line with market practice, Severance pay does not exceed 24 months' salary, calculated on the basis of the GAP plus the average MBO paid in the last three years, in addition to any entitlements deriving from the relevant Collective Employment Agreement<sup>1</sup>.

With reference to plans based on existing financial instruments, in the event of consensual termination, the case of "good leaver" provided for by the LTI Regulation applies which provides for the maintenance of the rights assigned for the plans in progress that have not yet matured, according to a pro-rata temporis criterion, based on the years (or fractions of year) actually employed.

There are no consulting contracts or non-monetary benefits for periods after the termination of employment.

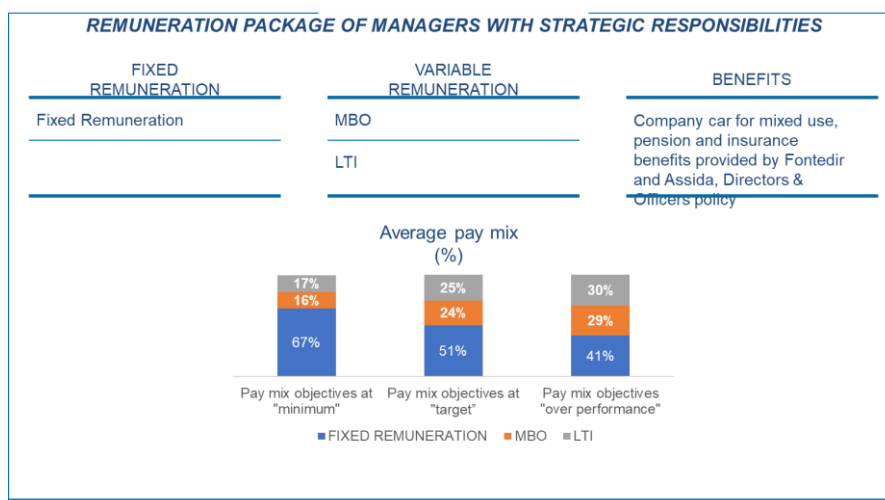
There is no provision for the Chief Executive Officer and General Manager to receive one-off fees or other variable components not related to performance conditions.

The Company has not entered into any non-competition agreements with the Chief Executive Officer and General Manager.

## Remuneration of Key Managers with Strategic Responsibilities

INWIT's Key Managers with Strategic Responsibilities are:

ORGANISATIONAL DEPARTMENT	KMSRs
<b>Head of Administration, Finance and Control</b>	Diego Galli – confirmed by the BoD on 1 February 2022
<b>Head of Marketing &amp; Sales</b>	Gabriele Abbagnara - confirmed by the BoD on 1 February 2022
<b>Head of Technology &amp; Operations</b>	Andrea Mondo – appointed by the BoD on 28 March 2022



Note: the LTI long-term variable component is valued on a rolling basis.

<sup>1</sup>Indemnity for lack of notice, differentiated depending on years of seniority, in line with the provisions of the Collective Employment Agreement for Managers of Companies Producing Goods and Services

## Fixed Remuneration

This is defined in keeping with the complexity of the position occupied by the Manager. To such purpose, INWIT introduced, right from the start, an assessment system of positions using the Korn Ferry-Hay method, which allows a comparison of managerial remuneration and external data to be made.

The fixed remuneration of Managers with Strategic Responsibilities may be adjusted periodically, as part of the annual salary review process involving the entire managerial population, without prejudice to the selective nature of the measure, restricted to managers who have increased the scope of responsibility or whose salary position does not exceed the median market benchmarks.

## Short Term Variable Remuneration (MBO)

The short-term variable incentive (MBO) offered to Managers with Strategic Responsibilities follows the same approach as that provided for the role of Chief Executive Officer and General Manager.

The scorecard for Managers with Strategic Responsibilities is broken down into the following objectives:

OBJECTIVES	WEIGHT	MINIMUM	TARGET	MAXIMUM
EBITDAal	30-25%	-1% vs. target	€million (budget)	+1% vs. target
Total Revenues	20-25%	-1% vs. target	€million (budget)	+1% vs. target
Recurring Free Cash Flow	20%	-1% vs. target	€million (budget)	+1% vs. target
Performance Objectives	15%	-10% vs. target	(budget)	+10% vs. target
ESG	15%	role-specific ESG objectives (targets in line with the Sustainability Plan forecasts)		

The individual scorecards for Managers with Strategic Responsibilities were defined by the Chief Executive Officer and General Manager, with subsequent disclosure to the Nomination and Remuneration Committee.

The total amount of the short-term variable bonus defined for Managers with Strategic Responsibilities for 2022, is on average 47% of fixed remuneration in the event that objectives are achieved at target level. The value of the bonus may increase up to a maximum (cap) of 70% of fixed remuneration in the case of achievement of the objectives at the maximum level (150% of the target bonus).

With reference to the Total Revenues, EBITDAal and Recurring Free Cash Flow parameters, the minimum and maximum target levels are the same as those described for the Chief Executive Officer and General Manager. As regards the other parameters, objectives have a scale of achievement of the target level usually equal to the budget value, and minimum and maximum levels defined in a variable range depending on the specific objective.



## **Long Term Variable Remuneration (LTI)**

Managers with Strategic Responsibilities have been included among the beneficiaries of the Company's 2020-2024 Long-Term Share-based Incentive Plan, with the allocation of performance shares equal in value, for each three-year cycle, to 50% of fixed remuneration if performance objectives are achieved at the target level.

The Plan for Managers with Strategic Responsibilities is at the same conditions as that indicated for the Chief Executive Officer and General Manager of INWIT.

## **Claw Back mechanisms**

The Company has the right to demand repayment of variable remuneration paid, both short-term and long-term, if it has been disbursed or calculated on the basis of data which subsequently prove to be manifestly incorrect.

## **Other compensation**

There is no provision for Managers with Strategic Responsibilities to receive one-off fees or other variable components not related to performance conditions.

Exceptionally, the Company reserves the right to pay, when recruiting high-profile individuals, entry bonuses linked to the loss of remuneration accrued in the company of origin, with amounts in any case not exceeding 100% of the fixed remuneration.

## **Benefits**

Managers with Strategic Responsibilities receive benefits provided for by the policies of the INWIT Group for employees classified as executives, in addition to those provided for by the National Collective Labour Agreement for Executives of Enterprises Producing Goods and Services. In particular, the following are provided for:

- a car for mixed private and company use, the established value of which is subject to tax and contributions as required by applicable laws. The vehicle category depends on the position held and the organisational responsibilities fulfilled by the executive;
- voluntary access to welfare and insurance services provided by the Fontedir (Fondo Pensione Complementare Dirigenti) and Assida (mutual voluntary association for complementary medical care for Executives);
- third-party liability (professional risks) insurance cover, known as the Directors & Officers policy, underwritten by the Company and renewed annually. It covers all managerial staff and members of the company bodies.

## **Severance**

On 29 July 2019, the Board of Directors approved the policy on severance pay for Executive Directors and Managers with Strategic Responsibilities.

INWIT's Severance policy applies to Managers with Strategic Responsibilities in the event of termination of employment without just cause.

In line with market practice, Severance pay does not exceed 24 months' salary, calculated on the basis of the GAP plus the average MBO paid in the last three years, in addition to any entitlements deriving from the relevant Collective Employment Agreement<sup>1</sup>.

With reference to plans based on existing financial instruments, in the event of consensual termination, the case of "good leaver" provided for by the LTI Regulation applies which provides for the maintenance of the rights assigned for the plans in progress that have not yet matured, according to a pro-rata temporis criterion, based on the years (or fractions of year) actually employed.

There are no consulting contracts or non-monetary benefits for periods after the termination of employment.

The Company has not entered into any non-competition agreements with Managers with Strategic Responsibilities.

## Broad-based Share Ownership Plan

In order to promote engagement, strengthen the sense of belonging and encourage active participation of employees in the achievement of company results, at the end of 2020 INWIT launched the Broad-based Share Ownership Plan aimed at all employees, with the exception of the Chief Executive Officer and the Chief Executive Officer's top management, was launched last November.

In 2020 the Plan provided for the free allocation of a package of INWIT ordinary shares to employees and the voluntary purchase of additional shares at a 10% discount of the average market value in the 30 days prior to the subscription period.

In December 2021, 12 months after the allocation of the bonus shares and/or the purchase of the shares at a discount, those participating in the Plan were awarded a bonus share (free allocation of one share for every three held) if they had remained employed by INWIT and retained ownership of the shares.

For further details on the Plan, reference should be made to the Information Document drafted pursuant to article 114-bis of Legislative Decree no. 58 of 24 February 1998 ("CLF") and art. 84-bis of the Regulations adopted by Consob with resolution no. 11971 of 14 May 1999 as subsequently supplemented and amended ("Issuers' Regulations"), published on the Company's website [www.inwit.it](http://www.inwit.it) Governance section and made available to the public within the terms provided for by current legislation.

## 7. REMUNERATION POLICY DEROGATION PROCEDURE

In exceptional circumstances, the Board of Directors may temporarily waive Policy 2022 in order to pursue long-term interests, ensure the sustainability of the company as a whole or ensure the company's ability to stay on the market. The aforementioned exceptional circumstances refer to situations falling within the following cases: retention of Managers with Strategic Responsibilities, significant changes in the scope of the company's activities during the validity of the 2022 Policy which some of the performance objectives of the policy were based on, events that seriously affect the company's image and reputation. If the conditions are met, the temporary waiver of the 2022

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<sup>1</sup> indemnity for lack of notice, differentiated depending on years of seniority, in line with the provisions of the Collective Employment Agreement for Managers of Companies Producing Goods and Services

Policy must be approved by the Board of Directors, at the proposal of the Nomination and Remuneration Committee, with the support of the Human Resources department, after consulting the Board of Statutory Auditors and the Related Parties Committee (composed of independent directors only), in compliance with the laws and regulations in force. It should be noted, in any case, that the rules for transactions with related parties remain applicable in cases of derogation from the remuneration policy.

The elements which the Company may decide to make exceptions to, in the presence of the above-mentioned exceptional and temporary circumstances, concern the fixed and variable remuneration components, including those of an extraordinary nature.

## 8. GLOSSARY

**EXECUTIVE DIRECTORS:** The directors to whom operational or management powers have been attributed, as well as those who were attributed particular responsibilities by the Board of Directors.

**INDEPENDENT DIRECTORS:** Directors who meet the independence requirements as set out in the INWIT Governance Code.

**NON-EXECUTIVE DIRECTORS:** The directors to whom operational or management powers have not been attributed, as well as those who were not attributed particular responsibilities by the Board of Directors.

**SHARES ALLOCATED:** Indicates the Shares allocated free of charge to each of the Beneficiaries upon Vesting

**SHARES:** Shares – The ordinary shares of the Company, without par value, listed on the MTA electronic share market organised and managed by Borsa Italiana

**CLAW-BACK:** A clause that permits the variable remuneration attributed to the Beneficiaries of the Plan to be recovered. Claw-back may be activated in the three years following the vesting or allocation of said variable remuneration in case of Error, in the five years following vesting or allocation of said variable remuneration in case of fraud or in relation to misconduct or negligence that have caused damage to the Company, or to behaviours put in place in breach of the laws of reference.

**KEY MANAGERS OR KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES:** the subjects, including Directors, who have the power and responsibility, directly or indirectly, for planning, managing and controlling the activities of the Company.

**DIVIDEND EQUIVALENT:** Consists of the allocation to the Beneficiaries of additional shares at the end of the vesting period, in a number equivalent to the ordinary and extraordinary dividends distributed by INWIT during the vesting period that would have been payable on the number of shares actually attributed to the Beneficiaries as a result of the performance levels they achieved in the terms and at the conditions prescribed by the Plan.

**EBITDAAL:** EBITDA - DEPRECIATION AND AMORTIZATION IFRS16.

**Free Cash Flow to Equity\*:** this is calculated as Unlevered Free Cash Flow net of financial costs or income and represents the actual cash flow generated, taking into account investments in working capital and investments necessary for operating, maintaining and developing activities in the long term (cash flow available to Shareholders and lenders).

**INCENTIVE (OR BONUS) AT TARGET:** the bonus that can be obtained by the individual beneficiary upon achievement of the target performance level established by the objectives.

**JOB EVALUATION:** a method that measures the value or weight of the positions inside an organisation, expressed in points or grades.

**KEY PERFORMANCE INDICATOR (KPI):** the indicator identified to measure performance or the achievement of predetermined objectives.

**LTI:** Long Term Incentive Plan.

**LOCK-UP:** Indicates the period of time following the allocation of the Shares during which the vested Shares remain unavailable.

**MANAGEMENT BY OBJECTIVES (MBO):** the short term incentive plan that entitles the subjects involved to receive an annual reward in cash (bonus), based on the achievement of objectives established in advance and agreed with each beneficiary of said plan.

**MANAGEMENT:** all the heads of company departments identified through organisational decisions.

**VESTING (OF THE PERFORMANCE SHARES):** The moment the board approves the financial statements of the Company (or, if the conditions for this are fulfilled, of the consolidated financial statements of the Group of which the Company is parent) for the year ending 31 December 2020, with the concurrent assessment of the degree to which the Performance Parameters have been achieved.

**PERFORMANCE PARAMETERS:** Indicates the Performance objectives of the Plan, achievement of which is a condition for the purpose of allocating the Shares

**PAY MIX:** the composition of the individual remuneration package, consisting of fixed remuneration, short term variable remuneration and medium/long term variable remuneration.

**PEER GROUP:** The group of companies within which the positioning of INWIT's share performance is measured

**PERFORMANCE SHARES:** Indicates the promise of free allocation to the Beneficiaries of a minimum and maximum number of Rights to receive Shares upon Vesting, in a number commensurate with the fixed and variable remuneration of the Beneficiary, varying from a minimum to a maximum dependent on the degree of achievement of the Performance Parameters.

**VESTING PERIOD:** The period between the moment the Plan is assigned and the Vesting of the Performance Shares.

**Directors and Officers Policy (D&O policy):** insurance cover against civil liability (professional risks) regarding the entire management of INWIT and the members of the corporate bodies.

**TENANCY RATIO:** one of the principal performance indicators for a Tower Co, representing the number of Tenants present on sites.

**Recurring Free Cash Flow:** indicates the cash flow generated by operations net of investments for infrastructure maintenance and net of financial charges. Development investments are not included.

**REGULATIONS:** Indicates the document that establishes the terms and conditions applicable to the LTI Plan, and which implements it. The Regulations are defined by the Board of Directors of the Company, at the proposal of the Nomination and Remuneration Committee.

**GROSS ANNUAL PAY (GAP):** the gross annual remuneration paid, including only the fixed elements of remuneration for subordinate employment, excluding benefits granted as a consequence of the employment and any sums paid on an occasional basis, as reimbursement of expenses, as well as any incentive and variable component provided it is defined as guaranteed and/or paid as a lump sum or continuously, reiterated or deferred, of the share of the Severance Fund and any compensation required by law and the applicable collective employment contract.

**SCORE CARD:** objectives card used in the MBO.

**TOTAL SHAREHOLDERS RETURN (TSR):** Indicator that measures the total return on a share as the sum of the following components: (i) capital gain: the ratio between the change in the share price (difference between the price recorded at the end and at the beginning of the reference period) and the price recorded at the beginning of the same period; (ii) reinvested dividends: the impact of all dividends paid and reinvested in the share on the coupon date. The relative Total Shareholder Return measures the positioning of INWIT's TSR in the TSR ranking of a Peer Group made up of listed Italian and foreign Tower Companies identified in the Plan Regulations.

**TOWER COMPANY:** infrastructure operators that operate in the sector of infrastructure for electronic communications, and, more specifically, that offer integrated hosting services at their own sites for systems and transceivers owned by their customers.

**Target value/level:** the target performance level set for an objective in an incentive system.

**VALUE OF THE FINANCIAL INSTRUMENT:** Indicates the value determined by calculating the arithmetic mean of the official prices of the ordinary shares of INWIT S.p.A. on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the 30 calendar days before the reference time.