

# INWIT

Sharing connections

## REPORT ON CORPORATE GOVERNANCE AND SHARE OWNERSHIP 2022



## TABLE OF CONTENTS

<b>GLOSSARY</b> .....	<b>3</b>
<b>1. ISSUER PROFILE</b> .....	<b>4</b>
<b>2. INFORMATION ON SHARE OWNERSHIP (PURSUANT TO ARTICLE 123-BIS, SUBSECTION 1, CLF)</b> .....	<b>8</b>
<b>A) SHARE CAPITAL STRUCTURE</b> .....	<b>8</b>
<b>B) RESTRICTIONS ON TRANSFER OF SECURITIES</b> .....	<b>8</b>
<b>C) MAJOR HOLDINGS IN SHARE CAPITAL</b> .....	<b>8</b>
<b>D) SECURITIES THAT CONFER SPECIAL RIGHTS</b> .....	<b>8</b>
<b>E) EMPLOYEE SHAREHOLDINGS: MECHANISM FOR EXERCISING VOTING RIGHTS</b> .....	<b>8</b>
<b>F) RESTRICTIONS ON VOTING RIGHTS</b> .....	<b>8</b>
<b>G) SHAREHOLDERS' AGREEMENTS</b> .....	<b>8</b>
<b>H) CHANGE OF CONTROL CLAUSES AND STATUTORY PROVISIONS ON TENDER OFFERS</b> .....	<b>14</b>
<b>(I) AUTHORISATION TO INCREASE SHARE CAPITAL AND SHARE BUY-BACK</b> .....	<b>17</b>
<b>J) DIRECTION AND COORDINATION</b> .....	<b>17</b>
<b>3. COMPLIANCE</b> .....	<b>17</b>
<b>4. BOARD OF DIRECTORS</b> .....	<b>17</b>
<b>4.1. APPOINTMENT AND REPLACEMENT</b> .....	<b>17</b>
<b>4.2. COMPOSITION</b> .....	<b>20</b>
<b>4.3. ROLE OF THE BOARD OF DIRECTORS</b> .....	<b>23</b>
<b>4.4. FUNCTIONING</b> .....	<b>25</b>
<b>4.5 ROLE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS</b> .....	<b>26</b>
<b>4.6. EXECUTIVE DIRECTORS</b> .....	<b>28</b>
<b>4.7 INDEPENDENT DIRECTORS AND LEAD INDEPENDENT DIRECTOR</b> .....	<b>29</b>
<b>5. MANAGEMENT OF CORPORATE INFORMATION</b> .....	<b>30</b>
<b>6. INTERNAL BOARD COMMITTEES</b> .....	<b>31</b>
<b>6.1 SUSTAINABILITY COMMITTEE</b> .....	<b>32</b>
<b>7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS - NOMINATION COMMITTEE</b> .....	<b>33</b>
<b>7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS</b> .....	<b>33</b>
<b>7.2 NOMINATION AND REMUNERATION COMMITTEE</b> .....	<b>35</b>
<b>8. REMUNERATION OF DIRECTORS – REMUNERATION COMMITTEE</b> .....	<b>37</b>
<b>9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM – CONTROL AND RISK COMMITTEE</b> .....	<b>37</b>
<b>9.1 CHIEF EXECUTIVE OFFICER</b> .....	<b>44</b>
<b>9.2 CONTROL AND RISK COMMITTEE</b> .....	<b>44</b>
<b>9.3 HEAD OF AUDIT DEPARTMENT</b> .....	<b>46</b>
<b>9.4 ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001</b> .....	<b>48</b>
<b>9.5 INDEPENDENT AUDITOR</b> .....	<b>49</b>

9.6 EXECUTIVE RESPONSIBLE FOR PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE ROLES AND FUNCTIONS .....	50
9.7 COORDINATION OF SUBJECTS INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM.....	51
10. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES – RELATED PARTIES COMMITTEE.	52
10.1 RELATED PARTIES COMMITTEE COMPOSITION AND FUNCTIONING .....	54
11. BOARD OF STATUTORY AUDITORS .....	55
11.1 APPOINTMENT AND REPLACEMENT .....	55
11.2 COMPOSITION AND FUNCTIONING.....	56
12. SHAREHOLDER RELATIONS .....	59
13. SHAREHOLDERS' MEETINGS .....	59
14. FURTHER CORPORATE GOVERNANCE PRACTICES.....	61
15. CHANGES SINCE THE END OF THE REFERENCE YEAR .....	61
16. CONSIDERATIONS ON THE LETTER OF 25 JANUARY 2023 FROM THE CHAIRMAN OF THE ITALIAN CORPORATE GOVERNANCE COMMITTEE .....	61
TABLE 1: INFORMATION ON SHARE OWNERSHIP AT 31 DECEMBER 2022 .....	64
TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE END OF THE FINANCIAL YEAR.....	66
TABLE 2: DIRECTORS WHO RESIGNED IN THE YEAR 2022.....	67
TABLE 3: STRUCTURE OF BOARD COMMITTEES AT THE END OF THE FINANCIAL YEAR .....	68
TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR .....	69

## GLOSSARY

<b>Corporate Governance Code/Code</b>	The Corporate Governance Code approved by the Corporate Governance Committee in January 2020 and available to the public on <a href="https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020eng.en.pdf">https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020eng.en.pdf</a>
<b>Issuer, INWIT or Company</b>	Infrastrutture Wireless Italiane S.p.A. also referred to as Inwit S.p.A.
<b>Corporate Governance Principles</b>	The document setting out the rules on corporate governance established by the Board of Directors of the Issuer, to supplement and complement the provisions of the Corporate Governance Code to which the Company adheres
<b>Consob Issuers' Regulation</b>	The Regulations issued by Consob with resolution no. 11971 of 14 May 1999 (as subsequently amended) on the subject of issuers
<b>Consob Related Party Regulations</b>	The Regulations issued by Consob with resolution no. 17221 of 12 March 2010 (as subsequently amended) on the subject of transactions with related parties
<b>Report</b>	The report on corporate governance and share ownership drawn up by the Issuer pursuant to art. 123-bis CLF, approved by the Board of Directors on 2 March 2023
<b>Remuneration report</b>	The report on the remuneration policy and compensation paid which companies are obliged to draw up and publish pursuant to art. 123-ter of the CLF and art. 84-quater of the Consob Issuer Regulation
<b>Consolidated Law on Finance/CLF</b>	Legislative decree no. 58 of 24 February 1998 (as subsequently amended)

## 1. ISSUER PROFILE

### System of corporate governance adopted by the Company

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

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

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

Non-alignment or partial alignment with specific provisions of the New Corporate Governance Code, updated to January 2020 to which INWIT adheres, is justified in the section of the Report which deals with the governance practice otherwise applied by the Company.

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

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

In particular, the following were updated: (i) the Company's Corporate governance principles; (ii) the regulations of the Board of Directors and the Board committees; (iii) the Related party transactions procedure (in force from 1 July 2021) amended to incorporate the new provisions of the Consob regulation on the matter, most recently updated by Consob Resolution no. 21624 of 10 December 2020.

In the course of 2023, certain corporate governance documents will be updated to adapt them to the new ownership and top management structure resulting from TIM S.p.A.'s sale to Impulse I Sarl of a 41% stake in Daphne 3's share capital (which holds a 30.2% stake in INWIT's share capital) and the Board of Directors' resolutions of 7 October 2022 (see Paragraphs 2(g) and 4.2).

In addition, as recommended in the Corporate Governance Code, the Board of Directors approved the quantitative/qualitative criteria for identifying the significance of commercial, financial and professional relations, as well as the quantum of additional remuneration that may affect the independence requirement of Directors and Statutory Auditors.

The Company has also taken steps to prepare procedures and/or operating instructions aimed at defining internal processes in an increasingly precise and structured manner, including:

- the "Preparatory activities for the meetings of governing bodies and management of the related information flows" operating instruction which aims to define the phases and timeframe of the process prior to meetings of the Company Bodies, including providing the supporting documentation, to ensure the timeliness and completeness of the information provided to the said bodies;
- the "Non-financial Reporting" procedure, describing the main phases of the process for drawing up the Integrated Report/NFS and defining the roles, responsibilities and operating methods for gathering the data and information needed to draw up the Integrated Report/NFS.

The information contained in this Report refers to the 2022 financial year and, with regard to specific issues, is updated to the date of the Board of Directors meeting that approved it (2 March 2023); for details on pay issues see the Report on the remuneration policy and compensation paid (hereinafter the "Report on Remuneration").

INWIT does not fall within the definition of SMEs pursuant to art.1, subsection 1, letter w-quarter of the CLF and art.2-ter of the Consob Issuers' Regulation. In accordance with the provisions of the Corporate Governance Code, it qualifies as a "large company" (capitalization of more than 1 billion euros in the previous three calendar years) and, until the change in ownership structure in August 2022 "concentrated ownership company" (a company in which one or more shareholders participating in a shareholders' agreement hold, directly or indirectly, the majority of votes that can be exercised at an ordinary shareholders' meeting). At the date of this Report INWIT is not a concentrated ownership company pursuant to the Corporate Governance Code since the shareholders' agreement which allowed TIM S.p.A. and Central Tower Company Holding B.V. to exercise joint control over INWIT S.p.A. has ceased.

## **General information about the Company**

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 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 Telecom Italia group's towers and repeaters.

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, in a Tower as a Service logic, from a passive infrastructure to a connected, shared, distributed and protected digital infrastructure. Specifically, INWIT is building its own mobile telephony coverage service through DAS (Distributed Antenna System) systems, which provide optimal coverage of highly frequented areas, 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 also 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.

Digital infrastructures actually offer an opportunity to build a better country, where evolved services, digital innovation, sustainable management of resources, attention to the needs of the public and the country, greater well-being and equal opportunities, as well as a lower environmental impact are the cornerstones of a new development model.

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. The Company has embarked on a path to implement a modern and sustainable business model by launching activities and projects aimed at integrating sustainability as part of the industrial strategy to pursue sustainable success, so as to generate value in a long-term perspective for all the stakeholders and contributing to the growth, improvement and social and economic development of the communities where the Company operates and of the players that make up the value chain. This path aimed at integrating sustainability in the company's choices and strategies took practical form, starting from governance, with the establishment of the Sustainability Committee and dedicated organisational monitoring with the approval, by the Board of Directors in the course of 2021 of the various policies relating to ESG issues such as the Stakeholder Engagement Policy, the Environment, Health and Safety at Work Policy, the Anti-bribery Policy, Energy Policy and the *Diversity & Inclusion Policy*.

In the course of 2022, sustainability governance was strengthened with the establishment of the Sustainability Steering Team which aims to share the sustainability strategy, strengthening supervision and monitoring, with particular reference to the progress of the Sustainability Plan and the preparation of non-financial reporting.

On the subject of stakeholder engagement, INWIT – aware that stakeholder relations are an integral part of responsible and sustainable business management – has not only equipped itself with an ad hoc policy, but has also launched a series of initiatives aimed at including their expectations in decision-making processes through an exchange that fosters mutual understanding, trust and cooperation.

These include updating the materiality analysis to identify, through impact analysis, issues relevant to INWIT and its stakeholders; organizing an annual Stakeholder Forum, which saw its second edition in 2022; publishing a newsletter; and conducting a survey aimed at verifying INWIT's brand awareness, with particular reference to two specific targets: stakeholders, with 120 interviews, and the population, with 1,500 interviews. In order to provide stakeholders with a comprehensive view of the strategy, operating model and governance by integrating financial and non-financial information, starting in 2021, INWIT will publish the Integrated Report, which includes the Non-Financial Statement (DNF), compliant with Legislative Decree 254/2016, prepared by INWIT on a voluntary basis.

With reference to Climate Change, INWIT has defined a climate strategy with the goal of achieving carbon neutrality by 2024 through a series of initiatives, consistent with each other, ranging from technology scouting for energy efficiency solutions to the production and purchase of energy from renewable sources. INWIT has, in addition, obtained the validation of its CO2 emission reduction targets by the Science Based Target initiative (SBTi), an initiative created with the intention of verifying that the climate strategies defined by companies are in line with the indications of the scientific community and international agreements to combat climate change. The risks identified are included as part of the broader Enterprise Risk Management Framework.

To increase transparency on climate change management issues, INWIT first published the TCFD Report in 2023, a document, in line with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). It conducted a scenario analysis, to stimulate the company to develop a long-term strategic vision that considers the risks (physical and transitional) and opportunities associated with climate change. A Sustainability Plan has been defined and approved by the Board of Directors, which is fully integrated in the industrial strategy and by means of which the transition to a sustainable business model, considered an enabler for the Company's growth, is sought. The Sustainability Plan, developed in coherence with the UN 2030 Agenda and its Sustainable Development Goals, commits the company to achieving increasingly challenging goals in ESG areas. In line with the industrial strategy, INWIT plans to update the Sustainability Plan to 2026.

INWIT is continuing to spread sustainability, primarily among its employees, through information and awareness-raising activities and to create an increasingly inclusive work environment, as recognised by the inclusion for the first time in 2022 in the Bloomberg Gender Equality Index and the FTSE4Good, one of the main ESG indexes.

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 and the expectations of Shareholders and Stakeholders in the medium-long term. ESG objectives, with increased weight over time, are present in the short- and long-term variable incentive system.

## 2. INFORMATION ON SHARE OWNERSHIP (pursuant to Article 123-bis, subsection 1, CLF)

as at 31 December 2022

### a) Share capital structure

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

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

### b) Restrictions on transfer of securities

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

### c) Major holdings in share capital

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

### d) Securities that confer special rights

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

### e) Employee shareholdings: mechanism for exercising voting rights

There are no specific procedures or limits to the exercise of voting rights for shares arising from the Employee Share Ownership Plan (ESOP) approved by the Shareholders' Meeting on 28 July 2020.

### f) Restrictions on voting rights

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

### g) Shareholders' Agreements

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

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

On 22 April 2020 and 24 April 2020 TIM and VOD EU signed two agreements in order to waive the Lock-Up commitment (as defined herein) and the Standstill commitment (as defined herein) contained in the Shareholders' Agreement. In particular, with the second waiver agreement the parties agreed, *inter alia*, (i) to the signing, between TIM and Impulse I S.à r.l. (**Impulse**) controlled by entities managed by Ardian France

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

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

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

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

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

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

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

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

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

On 5 August 2022, TIM, Daphne 3 CTHC and VOD EU communicated that they had consensually terminated the shareholders' agreement, effective as of 3 August 2022.

\*\*\*

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

Essential information relating to the shareholders' agreements contained in the Shareholders' Agreement and the notice of consensual termination are published, pursuant to article 130 of the Issuer Regulation, on the INWIT website in the "governance/company information/shareholders' agreements" section.

### **TIM AND IMPULSE SHAREHOLDERS' AGREEMENT**

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

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

With reference to Inwit, the TIM/IMPULSE Agreement governs, *inter alia*: (i) the undertaking of Daphne 3 to vote at Inwit shareholders' meetings to confirm the appointment of the co-opted directors (one appointed by TIM and one by Daphne 3); (ii) the submission of a slate by Daphne 3 for the appointment of the board of

directors of Inwit; (iii) the appointment of the independent director appointed by Daphne 3 as a member of the Related Parties Committee and Chairman of the Nomination and Remuneration Committee of Inwit; (iv) the principles of the Incentive Plan of Inwit; (v) some matters reserved to the board of directors of Inwit, the adoption of which requires the favourable vote of the independent director appointed by Daphne 3.

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

On 14 April 2022, TIM and Impulse signed a purchase agreement (**Purchase Agreement**) regarding Impulse's acquisition of a 41% stake held by TIM in the share capital of Daphne 3, which holds a 30.2% stake in INWIT's share capital.

The shareholders' agreements contained in the Purchase Agreement stipulated that, as of the date of effect of the agreement, the five directors of Inwit appointed by Daphne 3 would cease to hold office, thereby activating the "simul stabunt simul cadent" clause in Article 13.18 of Inwit's Bylaws. The appointment of Inwit's new board of directors would therefore be decided by resolution of Inwit's shareholders' meeting in accordance with the provisions of Inwit's Bylaws.

With reference to INWIT, the Purchase Agreement governs, *inter alia*: (i) some matters reserved to the board of directors of Daphne 3, the adoption of which requires the favourable vote of at least two directors appointed by Impulse; (ii) some matters falling within the remit of the shareholders' agreement, the adoption of which requires the favourable vote of Impulse; (iii) the right of withdrawal of Impulse in the event of breach by TIM and/or the Inwit directors appointed by TIM of the provisions of the TIM/IMPULSE Agreement; (iv) the

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

\*\*\*

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

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

### **IMPULSE II, PREDICA AND CCA SHAREHOLDERS' AGREEMENT**

On 19 June 2020, Impulse II S.C.A. (**Impulse II**), controlled by entities managed by Ardian France S.A. or its affiliates, Predica Prévoyance Dialogue du Crédit Agricole S.A. (**Predica**), a French company, entirely owned by Crédit Agricole Assurances S.A., and Crédit Agricole Vita S.p.A., an Italian joint stock company, entirely owned by Crédit Agricole Assurances S.A. (**Crédit Agricole Vita**), signed an agreement (**Impulse II Investment Agreement**) which governs the terms and conditions of an investment (**Impulse I Transaction**) – completed on 29 September 2020 – by Predica, Crédit Agricole Vita and Impulse II in Impulse to implement the transaction covered in the Investment Agreement described above. The Impulse II Agreement also provided that, on the date of implementation of the Impulse I Transaction, the shareholders of Impulse I would sign a shareholders' agreement (**IMPULSE II/PREDICA/CCA Agreement**), in the form already agreed and annexed to the Impulse II Investment Agreement, concerning, *inter alia*, provisions governing the exercise of rights linked to the Daphne 3 shares held by Impulse, amounting to 49% of the share capital of Daphne 3, and the shares of Inwit held indirectly by Daphne 3.

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

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

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

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

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

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

The aforesaid agreement was modified on 3 August 2022 to reflect the changes in share ownership of Daphne 3 (see paragraph above); subsequently Crédit Agricole Assurances Retraite S.A. ("CAAR") adhered to the agreement following the transfer by Predica to CAAR on 1 December 2022, of a part of its equity in Impulse I, representing 1.20% of the share capital of the same.

\*\*\*

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

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

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

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

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

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

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

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

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

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

The contracts shall include confidentiality clauses applicable to both Parties.

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

The agreement, which expired in July 2021, has been renewed and provides for a confidentiality clause between the Parties.

5. Framework agreement for the supply of transmission and ancillary services on multi-operator and multiservice microcell coverage plants created with DAS technology, signed with Telecom Italia on 18 September 2019, on the basis of which Inwit grants Telecom the right to use the DAS Systems that Inwit will create over the course of the agreement duration. Pursuant to art. 30 of the agreement, should Inwit cease

to be controlled by Telecom pursuant to art. 2359 of the Italian Civil Code, Telecom shall have the right to withdraw from the agreement with 3 (three) months notice.

The contract shall include confidentiality clauses applicable to both Parties.

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

\* \* \*

As of 31 December 2022, part of the loan signed on 19 December 2019 with a pool of 10 national and international banks used for the acquisition of Vodafone Towers is in place. This loan, renegotiated in March 2022 to change some of the terms and extend the due date to March 2027 is, at the date of this Report, composed of a Revolving Credit Facility for 500 million euros, used to the amount of 50 million euros. This loan, in the event of specific changes in the control of TIM and Vodafone, grants the lending banks the right to ask the Company for the mandatory early redemption of the sums disbursed and cancellation of the credit line after a period of negotiation of 30 days fails to determine an alternative solution to redemption. TIM S.p.A.'s sale of 41% of the share capital of Daphne 3, which has a 30.2 % stake in INWIT's share capital did not activate the change of control contractual clause.

With reference to the Base Prospectus of the Euro Medium Term Notes Bond Programme, in the event of a change of control and subsequent downgrade by the Rating Agencies, the bondholders may exercise the put option with respect to INWIT which is required to buy back the Notes at a price equal to 100%. TIM S.p.A.'s sale of 41% of the share capital of Daphne 3, which has a 30.2 % stake in INWIT's share capital did not entail a downgrade by the Rating Agencies and did not therefore activate the change of control contractual clause. The notional value of the Bonds issued as at 31.12.2022 was 2.25 billion euros.

As regards the ESG KPI-linked Term Loan of 500 million euros, granted by 4 financial counterparts on 2 April 2021, it should be noted that in the event of specific cases of change of control, each financial counterpart may request early redemption of its part of the loan after failing to reach an alternative solution in a period of 30 days' negotiation. TIM S.p.A.'s sale of 41% of the share capital of Daphne 3, which has a 30.2 % stake in INWIT's share capital did not activate the change of control contractual clause.

With reference to the 250 million euro loan granted by the European Investment Bank (EIB) on 3 August 2021, it should be noted that in the case of a change of control, the Bank may request early redemption of the Loan. On 15 December 2022 a letter changing the EIB loan was signed by means of which the bank waived its right to request early redemption of the Loan as a consequence of the case of change in control occurring.

Following the aforementioned letter changing the EIB and the loan of 48 million euros, also signed with EIB on 22 November 2022, it should be noted that in the event of a change/acquisition of control by parties other than Vodafone Group and Ardian Holco or subsidiaries thereof, the Bank may request early redemption of the Loans to the amount of 298 million euros.

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

#### **(i) Authorisation to increase share capital and share buy-back**

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

The Shareholders’ Meeting of 28 July 2020 authorised the Board of Directors – pursuant to and for the purposes of art. 2357 of the Italian Civil Code – for a period of eighteen months, to proceed with the purchase (and subsequent disposal), also in more than one tranche, of a maximum of 662,000 ordinary shares of the Company (representing approximately 0.07% of the share capital) for a total outlay of up to 7,500,000 euros, for the implementation of the 2020–2024 Share-Based Incentive Plan and the 2020 Employee Share Ownership Plan for employees. On 28 January 2022, the shareholders’ meeting authorisation to purchase treasury shares expired. On 31 December 2022 INWIT held 293,873 treasury shares.

#### **j) Direction and coordination**

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

### **3. COMPLIANCE**

Inwit is a limited company with registered office in Italy, subject to Italian and European Community law. The Issuer is not subject to non-Italian legislative provisions that influence its corporate governance structure.

INWIT has adhered to the new Corporate Governance Code of January 2020 (and previously to the Corporate Governance Code) and adapts its system of corporate governance to the relevant Italian and international best practices.

As indicated in the Profile (paragraph 1), in 2021 the Company put in place the necessary and/or appropriate alignment to adapt its governance arrangements and documents to the national legislation transposing Directive EU 2017/828 (Shareholders Rights II) and the new Corporate Governance Code.

### **4. BOARD OF DIRECTORS**

#### **4.1. Appointment and replacement**

In accordance with Article 13 of the Bylaws, the Board of Directors, composed of a minimum of 10 to a maximum of 13 Directors, is appointed on the basis of slates submitted by persons entitled to vote holding a proportion of the ordinary share capital as required by Consob. Regarding this, it should be noted that with Resolution no. 76 of 30 January 2023, Consob set this proportion at 1% for INWIT.

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

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

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

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

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

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

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

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

the gender balance, in the absence of other slates, the number of members of the Board of Directors shall be 10, appointed in accordance with the provisions of point 2) above.

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

- 1) the number of members of the Board of Directors is 13, except as provided for in point 5) below;
- 2) 10 directors are taken from the Qualified Slate that obtained the highest number of votes, in the progressive order in which they are listed on the slate;
- 3) 2 directors are taken from the second Qualified Slate, in the sequential order in which they are listed on such slate;
- 4) the other director is the first candidate on the most voted of the other slates;
- 5) without prejudice to the provisions set forth below for the appointment of directors who meet the independence requirements set out in the laws and regulations in force at the time and for compliance with the gender balance, in the absence of other slates, the number of members of the Board of Directors shall be 12, appointed in accordance with the provisions of points 2) and 3) above.

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

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

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

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

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

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

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

The current Company Bylaws are available on the website [www.inwit.it](http://www.inwit.it), in the Governance section.

#### **4.2. Composition**

The Shareholders' Meeting of 20 March 2020 appointed the Board of Directors, which took office for the three-year period 2020–2022 on 31 March 2020, the date on which the merger of Vodafone Towers into INWIT came into effect. 13 directors were elected, of whom one executive director, the Chief Executive Officer Giovanni Ferigo, and 12 non-executive directors: Emanuele Tournon (Chairman), Giovanna Bellezza, Laura Cavatorta, Antonio Corda, Angela Maria Cossellu, Sabrina Di Bartolomeo, Sonia Hernandez, Rosario Mazza, Agostino Nuzzolo, Secondina Giulia Ravera, Fabrizio Rocchio and Francesco Valsecchi. Of the non-executive directors, five declared themselves to be independent.

On 5 May 2022 Pietro Guindani was appointed as non-executive Director, replacing Fabrizio Rocchio who resigned.

The Board's term of office ended prematurely due to the resignation of 5 Directors following changes in the ownership structure after the operation transferring the Daphne 3 S.p.A shares (which holds a 30.2 % stake in INWIT) between TIM S.p.A. and a consortium of investors led by ARDIAN (the "Operation") was closed. Following the operation, Daphne 3 S.p.A is 90% controlled by Impulse S.a.r.l. and the remaining 10% is held by TIM S.p.A.

On 4 October 2022 the Shareholders' Meeting was held which appointed the new Board of Directors which will remain in office until approval of the financial statements as at 31.12.2024.

In accordance with the Bylaws, 11 directors were elected, and of them:

- 4 Directors (Pietro Angelo Guindani, Sonia Hernandez, Antonio Corda and Christine Roseau Landrevot) taken from the Qualified Slate submitted by the shareholder Central Tower Holding Company B.V. which received 36.86% of the votes of the capital represented at the Shareholders' Meeting:

- 4 Directors (Oscar Cicchetti, Rosario Mazza, Stefania Bariatti and Quentin Le Cloarec) taken from the Qualified Slate submitted by the shareholder Daphne 3 S.p.A. which received 34.57% of the votes of the capital represented at the Shareholders' Meeting;
- 3 Directors (Secondina Giulia Ravera, Laura Cavatorta and Francesco Valsecchi) taken from the Qualified Slate submitted by a group of asset management companies and institutional investors together with the shareholder Priviledge Amber Event Europe, which received 28.14% of the votes of the capital represented at the Shareholders' Meeting.

The Directors Ms Bariatti, Ms Cavatorta, Ms Roseau Landrevot, Ms Ravera and Mr Valsecchi have declared that they meet the independence requirements laid down in Article 148 of the Consolidated Law on Finance and the Corporate Governance Code. The Director Mr Le Cloarec has declared that he meets the independence requirements laid down in the Consolidated Law on Finance.

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

The educational and professional profiles of the Directors currently in office guarantee a balanced distribution of experience and expertise within the administrative body able to ensure the correct performance of its functions. International scope is guaranteed not only by the presence of three foreign national member, but also by members who have gained solid experience in international contexts.

Table 2 provides information on the Directors in office during 2022; their professional profiles are available on the Company's website <https://www.inwit.it/en/governance/governing-bodies/board-of-directors/>.

Gender representation (five women and six men) is complied with by the presence on the Board of Directors Bariatti, Cavatorta, Roseau Landrevot, Hernandez and Ravera: the less represented gender is above the quota (2/5 members) required by law and the Bylaws.

### ***Diversity criteria and Policies in Board composition and corporate organisation***

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

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

Although at present the Company has not adopted additional diversity policies relating to the age, qualifications, educational path or professional career of the Directors, the Company focuses on Diversity topics regardless of the legal requirements. As regards the composition of the Board, the matter is deemed as deferred to the shareholders in exercising the rights of candidacy granted to them by law and the Bylaws in the slates submitted thereby, without prejudice to the faculty of the administrative body to express an opinion on the quantitative and qualitative composition deemed optimal, taking into account the results of the self-assessment.

Moreover, it should be emphasised that the aspects related to diversity in the composition of the Board in office – with particular reference to gender, age, professional background, culture and relational style – were specifically analysed during the self-assessment process (see paragraph 7.1).

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

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

The hiring policy has led to an increase in the number of women working at the organisation: in 2015 the percentage of women was 25% of the total staff, while by the end of 2022 the percentage had risen to 38%. The greater presence of women has involved all the company departments subject to hiring: in both the staff and line departments, where as a rule there tended to be more men.

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

#### ***Maximum accumulation of offices held in other companies***

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

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

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

In the course of 2023 the Corporate Governance Principles will be reviewed to take into consideration the cessation of joint control by TIM and Vodafone over INWIT.

The Directors who served during the 2022 financial year respected the accumulation limits indicated above.

#### **4.3. Role of the Board of Directors**

The role of the Board of Directors is to provide strategic supervision and direction, pursuing the sustainable success of the Company. Specifically, it defines the most functional corporate governance system for carrying out the company's business and pursuing its strategies. It has as its primary objective the creation of value for shareholders in the long-term, while also taking into account the legitimate interests of the other remaining relevant stakeholders and facilitating dialogue with them.

Bearing in mind its role, the Board of Directors meets regularly and operates so as to guarantee the effective execution of its tasks.

##### ***Tasks reserved to the Board***

Matters falling within the remit of the Board of Directors (and therefore that cannot be delegated), in addition to those reserved to it by law, are set out in art. 18 of the Company Bylaws; as regards specific matters indicated in the Bylaws, the Board of Directors must resolve with an increased quorum for constitution and deliberation which, considering the number of members of the current Board of Directors, is at least 8 directors. These matters include: (i) the approval and amendment of budgets and industrial plans, including detailed operating plans relating to investments, price lists as well as annual efficiency plans for the reduction of operating costs; (ii) the purchase or sale of equity investments, companies or business units, real estate rights and other fixed assets with a value of more than 5 million euros for each transaction (iii) the signing of new loan agreements or the taking on of new financial debts that result in an increase in the debt/equity ratio compared to that indicated in the industrial plan approved by the Board of Directors, or an increase in debt of more than 6 times the EBITDA (debt, equity and EBITDA as most recently disclosed to the market); (iv) the approval of "capex" or "opex" for a total accumulated value on an annual basis more than 10% higher than the amounts indicated in the approved industrial plans and budgets; (v) the approval of stock option plans or other incentive mechanisms for directors and/or managers with strategic responsibilities; (vi) the execution of transactions, or amendment of contracts, with related parties of the Company for an amount greater than 500,000 euros per individual transaction or related transactions, with the exclusion in any case, regardless of the amount, of the exercise, waiver or settlement of any proceedings (judicial or out-of-court) between the Company and related parties of the Company.

The Company's Corporate Governance Principles do not identify additional matters reserved for the competence of the full Board.

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

obtained and the budget targets. With regard to the strategic planning process, an induction process with informal meetings prior to the approval of the Business Plan 2023 has been scheduled.

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

The flow of information to the Board, functional to the exercise of the duties and responsibilities of the administrative body regards, in addition to the topics of the meeting and follow-up on the resolutions made, the general business trend and its foreseeable development; market consensus and analyst evaluations; the activities carried out, in particular with reference to major economic or financial transactions, those regarding assets or particularly sensitive transactions including related party transactions of amounts exceeding 500,000 euros; the development and significant content of the dialogue with all the shareholders (all before the first useful board meeting); any further activities, transactions or events which the Chairman or Chief Executive Officer or General Manager deem it appropriate to bring to the attention of the Directors. With regard to the internal control and risk management system (ICRMS), the Board of Directors makes recourse to the preliminary investigation carried out by the Control and Risk Committee, which reports on the progress of its activities and the main findings emerging in each meeting, specifically with regard to the adequacy of the ICRMS during the review of the financial statements and half year report.

In the course of 2022 the Company's Board of Directors carried out, inter alia, the following activities related to governance, strategies and finance, internal control and risk management

- approval of the 2022 Remuneration policy and, in this context: (i) CEO and Head of the Audit Department 2022 MBO scorecards; (ii) LTI Plan - third cycle 2022-2024 and subsequent amendments to the Report referred to following changes in the ownership structure.
- Approval of the Report on Corporate Governance and Share Ownership and, in this context it evaluated the recommendations of the Chairman of the Corporate Governance Committee.
- Approval of the Integrated Report/NFS
- Assessment of the size, composition and functioning of the Board and Committees
- Renewal of the EMTN program and authorization to issue bonds; amendments to the EIB loan agreement
- ERM Monitoring
- Approval of the Audit Plan
- Update of the Organisational Model 231/2001
- Approval of the new Whistleblowing Policy

In 2022, 18 meetings of the Board of Directors were held in presence and/or videoconference; the average duration of the meetings was approximately two hours and fifteen minutes. The percentage of attendance was 94.6% (95.2% for independent Directors).

During the year, the Board of Directors met on an emergency basis four times, with more than 12 hours' notice, as required by the Company bylaws.

In 2022, no scheduled induction sessions were held also due to the early renewal of the Board of Directors. Updates of the reference regulatory framework, including as regards governance, were communicated in specific information notes.

The Board of Directors has planned 8 meetings for 2023, without prejudice to any additional meetings in accordance with the operating requirements. As of the date of this Report, 3 meetings have been held.

#### **4.4. Functioning**

The method of operation of the Board of Directors is governed by the Bylaws, the Company's Corporate governance principles, the Corporate Governance Code and the Board Regulation which was approved on 23 April 2020 and subsequently updated on 13 May 2021.

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

The Regulation further provides that, without prejudice to the provisions of the Bylaws on convocation of the Board of Directors, the Chairman shall make all reasonable efforts to ensure the call notice is sent by the 7th day prior to the date of the meeting or, in urgent cases, with notice of at least 24 hours.

The Chairman and the Board of Directors are supported by the Secretary, as well as by the corporate department coordinated by the latter, in calling, organising, conducting and documenting the meetings (see next paragraph "SECRETARY").

With regard to the process of information flows towards the Board of Directors and its committees, the "Preparatory activities for the meetings of governing bodies and management of the related information flows" operating instruction has been drafted, which aims to define the phases and timeframe of the process prior to meetings of the Company Bodies, including providing the supporting documentation, to ensure the timeliness and completeness of the information provided to the said bodies.

The provision of supporting documentation for the Board of Directors' resolutions must be simultaneous with the convocation and the deadline for the matters to be resolved must be considered mandatory, except for supporting documentation for the approval of periodic financial reports and/or industrial plans and/or annual budgets, which must be sent within 2 days prior to the meeting. Supporting documentation for the discussion of items under consideration by the Committees must also be made available at the same time as the meeting is called.

In 2022 this deadline was generally observed and, in the rare cases in which this was not possible in relation to ongoing operations, the Chairman ensured they were adequately discussed in depth during Board meetings.

The documentation must, if necessary, be accompanied by explanatory notes and/or summary documents if voluminous or complex; delays in the submission of the supporting documentation must be adequately justified by the Single Point of Contact (who is generally the head of the relevant department). If the documentation submitted within the deadlines needs to be supplemented, (i) an updated version of the document with evidence of the changes made and (ii) a summary note on the additions made to the documentation already provided to the Board, if the changes are substantial, must be submitted.

The Chairman shall establish the order in which the items on the agenda are discussed. The Board of Directors shall give priority to the examination of issues that the Chairman considers to be of greater importance. Moreover, it shall in any case devote to each individual topic the time necessary for exhaustive discussion in order to make wise, informed decisions.

Each Director shall take part in board resolutions with knowledge of the facts, independence of judgement and the diligence required by the nature of the task and their specific respective responsibilities. It is the duty and responsibility of the Directors to request information, where any already received is considered insufficient or incomplete, specifying the need for such information before the meeting, following a prompt flow of information.

Participation in board meetings is a commitment made by Directors upon accepting office; it is left to the discretion of the individual to assess any impediments to participation; in any case, each Director ensures adequate time availability for the diligent fulfilment of the tasks assigned to him/her.

If a Director (and/or a Statutory Auditor) has an interest in the transaction being examined by the Board of Directors, either directly or on behalf of a third party, it shall report this in a timely manner, providing any appropriate details to that effect, so that the other Directors and the bodies as a whole can operate in a conscious and informed manner at all times, refraining from voting on such items, in accordance with the provisions of the current applicable legislation.

Decisions are passed collectively by the board. Any objections made during the discussion or voting shall be duly recorded in the minutes, specifying any reasons given. The discussion and resolutions of the Board of Directors are recorded in the minutes in Italian (signed by the Chairman and the Secretary of the meeting, or by the Notary Public in the cases provided for by the applicable legislation) which are normally approved by the Board of Directors at the first subsequent meeting. For non-Italian-speaking directors, an English translation of the draft minutes is made available as quickly as practicable.

#### **4.5 Role of the Chairman of the Board of Directors**

In the financial year 2022, the role of Chairman of the Board of Directors was performed up to 4 October 2022 by Emanuele Tournon, appointed on 31 March 2020; he was granted powers of legal and court representation.

Following the appointment of the new Board of Directors by the Shareholders' Meeting on 4 October 2022 (see Paragraph 4.2) on 7 October 2022 the Board of Directors appointed Oscar Cicchetti Chairman of the Board of Directors; he was granted legal and court representation and institutional relations powers, as well as management of the relationship with the Head of the Audit Department on behalf of the Board. The Chairman is a Non-Executive Director.

With regard to the coordination of the Board's activities and its functioning, the Chairman convenes the Board's meetings, sets the agenda and supervises the progress of the same, ensuring that the documentation for the matters on the agenda is brought to the attention of the Directors and Statutory Auditors well in advance of each meeting (for further information, see paragraph 4.4). The Chairman shall collaborate in an appropriate manner with the Chief Executive Officer, the General Manager, the Lead Independent Director, and the Chairmen of the Committees and Board of Statutory Auditors, to ensure optimal functioning of the body.

The Chairman shall ensure that adequate information is provided on the items on the agenda before each meeting takes place. The Chairman shall make all reasonable efforts to make sure that the supporting documents are provided at the time the meeting is called and in any case at the earliest possible convenience permitted by the circumstances. The information distributed shall be supplemented (and where appropriate replaced, for reasons of expediency) by information provided during the board meeting or in specific preparatory and analysis sessions.

On his/her own initiative or at the request of individual Directors, the Chairman, in agreement with the Chief Executive Officer and/or General manager, shall ensure that the Company's executives in charge of the relevant company departments for the matter in hand, attend the board meetings to provide further appropriate details on the items on the agenda. Specifically, in 2022 the Chief Financial Officer, the heads of Human Resources, Legal & Corporate Affairs, Marketing & Sales, Technology & Operations, Finance, Investor Relations, External Relations, Communication & Sustainability attended the Board meetings, when issues concerning them were discussed.

The Chairman also verifies the implementation of board resolutions and chairs the meeting.

### **Secretary of the Board**

On 5 October 2022, at the proposal of the Chairman, the Board of Directors, appointed the Secretary of the Board in the person of the Head of Legal & Corporate Affairs, Salvatore Lo Giudice, confirming the position he has held since 18 February 2019.

The rules of the Board of Directors, last updated on 13 May 2021, govern the appointment and removal of the Secretary (who also serves as Secretary on each board committee) and define the relative requirements and duties. In particular, the Secretary is normally selected from Executives of the Company who have adequate knowledge of corporate law and corporate governance with experience in the role in listed companies or companies of significant size.

The Secretary supports the activities of the Chairman and provides impartial assistance and advice to the board of directors on all aspects relevant to the proper functioning of the corporate governance system.

Supports the Chairman in making sure:

- a) that the pre-meeting briefing and additional information provided at meetings is appropriate to enable directors to act in an informed manner in performing their role;
- b) that the activity of the board committees with investigative, propositional and advisory functions is coordinated with the activity of the management body;
- c) in agreement with the Chief Executive Officer and/or the General Manager, that the Company's executives in charge of the relevant company departments for the matter in hand, attend the board meetings, including at the request of individual directors, to provide further necessary information on the items on the agenda;
- d) that all the members of the management and control bodies can participate, after their appointment and during their term of office, in initiatives aimed at providing them with adequate knowledge of the business sectors in which the Company operates, of corporate dynamics and the evolution thereof, including with a view to the sustainable success of the Company, as well as of the principles of correct risk management and related regulatory and self-regulatory framework;
- e) the adequacy and transparency of the management body's self-assessment process, with the support of the Nomination Committee.

The Secretary also liaises with the Chairman to take the minutes of the meetings of the board and individual committees and to manage the flow of information to the directors. He/she shall prepare, *inter alia*, the documentation required for each meeting.

#### **4.6. Executive Directors**

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

The Board of Directors in office until 4 October 2022 appointed Giovanni Ferigo as Chief Executive Officer (an office he had already held since 13 April 2018). Mr Ferigo was also appointed General Manager on 13 April 2018.

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

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

The Chief Executive Officer ordinarily reports on the activity carried out during Board meetings, sometimes through prior transmission of appropriate documentation information.

In the course of 2022 Giovanni Ferigo was the only executive director, holding the position of Chief Executive Officer.

As a result of the renewal, resolved by the Ordinary Shareholders' Meeting on 4 October 2022, the new Board of Directors agreed on a pyramidal organisational structure consisting of a non-executive Chairman and a General Manager, who is not a director and has been given management powers.

### **General Manager**

On 7 October 2022 the Board of Directors appointed Diego Galli as INWIT's General Manager. Galli already held the position of Chief Financial Officer of the Company. The General Manager was granted powers relating to the overall governance of the company and the various aspects of its ordinary management within certain amounts, without prejudice to the powers reserved for the Board of Directors by law or the Bylaws.

The General Manager was also made responsible for establishing and maintaining the internal control and risk management system, pursuant to recommendations 32 b) and 34 of the Corporate Governance Code.

### **4.7 Independent directors and Lead Independent Director**

Of the current 11 Directors in office, 5 meet the independence requirements pursuant to the CLF and the Corporate Governance Code and 1, pursuant to the CLF only (See Section 4.2). The number of independent directors, above that required by the legal provisions and the Corporate Governance Code, and their skills, are adequate for the needs and operation of the Board, as well as for the proper constitution of the relevant committees.

INWIT has adopted the criteria established by the Corporate Governance Code (recommendation 7) for the qualification of Directors as independent; in this regard, the Board of Directors has specified that for the purposes of assessing independence, the following are generally considered "significant":

- (a) a relationship of a commercial or financial nature with INWIT and/or INWIT's parent companies (each a "Parent"), and/or subsidiaries (if any) and/or their respective executive directors and/or their respective top management, the aggregate annual remuneration of which to the director of INWIT (or companies controlled by the director of INWIT or of which the director of INWIT is an executive director) exceeds 50,000 euros; and
- (b) a relationship of a professional nature with INWIT and/or the Parent and/or its subsidiaries (if any) and/or their respective executive directors and/or their respective top management, the total annual remuneration of which to the director of INWIT (or the professional firm or consulting firm of which the director is a partner) in the case of (1) a consultant acting as an individual professional, exceeds 25,000 euros; or (2) a consultant who is a partner of a law firm or consulting firm, exceeds 50,000 euros.

Additional remuneration received by a director for offices in INWIT which, overall and on an annual basis,

exceeds 50% of the fixed annual remuneration received by such director for the office of director of INWIT, including any remuneration provided for participation in board committees, shall also be considered "significant".

Of the current Directors, in office as at the date of this Report, the following meet the independence requirements pursuant to the CLF and the Corporate Governance Code: Bariatti, Cavatorta, Roseau Landrevot, Le Cloarec, Ravera and Valsecchi; Le Cloarec qualifies as independent in accordance with the CLF only. Ascertainment that the board as a whole and the individual newly appointed Directors possessed the requirements was undertaken by the Board of Directors at its first meeting held on the 5 October 2022 and, thereafter, at the meeting on 2 March 2023.

For its part, the Board of Statutory Auditors again checked the fulfilment of the requirements and the correct application of the independence criteria on 7 March 2022 (for Directors in office until 4 October 2022) and on 19 October 2022 and 7 March 2023 for Directors currently in office.

### **Lead Independent Director**

INWIT has already identified a Lead Independent Director (LID) among its independent directors since 2015, even though the conditions for which the New Corporate Governance Code (and previously the Corporate Governance Code) recommends its establishment do not exist; from 23 April 2020 to 4 October 2022, the Lead Independent Director was Secondina Giulia Ravera. Following the appointment of the new Board of Directors on 7 October, Francesco Valsecchi was appointed LID.

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

In 2022 the Independent Directors met informally once.

## **5. MANAGEMENT OF CORPORATE INFORMATION**

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

After EU Regulation 596/2014 (the "Market Abuse Regulations" or MAR) came into force in July 2016, the Board of Directors at its meeting on 25 July 2017 approved a new "Inside information and insider dealing procedure," which was later updated (on 15 May 2019) mainly to take into account the "Guidelines" on the management of inside information published by Consob on 13 October 2017.

The Procedure was updated on 23 April 2020, as part of the review of the main corporate governance documents adopted by the Company and, most recently, on 1 July 2021, with a view to streamlining and strengthening the process, standardising the information flows so as to also ensure greater traceability.

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

The inside information and insider dealing procedure can be consulted in the Governance section of the Company website [www.inwit.it](http://www.inwit.it).

\*\*\*

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

## 6. INTERNAL BOARD COMMITTEES

At its meeting on 20 October 2022, the Board of Directors appointed the following board committees: Nomination and Remuneration Committee, Control and Risk Committee, Related Parties Committee and Sustainability Committee; all of these board Committees had been established under the last Board’s term of office. The functions of the Committees, which have an investigative, consulting and proposing role, are described in the Company’s Corporate Governance Principles and in the respective regulations (documents available for consultation in the Governance section of the Company website [www.inwit.it](http://www.inwit.it)).

The provisions common to all Committees, as well as those for the Sustainability Committee, are indicated below, with reference to paragraphs 7.2, 8, 9.2 and 10.1 for the Nomination and Remuneration Committee, the Control and Risk Committee and the Related Parties Committee.

Committees are established by resolution of the Board of Directors, which appoints and removes their members, including the Chairman, who is chosen from among the independent members of the Committees; in determining the composition of the Committee, the Board of Directors gives priority to the competence and experience of its members, avoiding an excessive concentration of positions in this area. The call notice of the meeting is usually sent at least three days (in urgent cases, at least twelve hours) in advance and, as a rule, the documentation relating to the items on the agenda is made available at the same time, in the same way as the material for the Board of Directors is distributed.

The Chairman of the Committee may invite the Chairman of the Board of Directors, the Chief Executive Officer and, by informing the Chief Executive Officer and/or the General Manager, the managers of the corporate functions that are competent on the matters of the committee meeting, to individual committee’s meetings. The members of the control body can attend the meetings of the Committee.

The decisions of the Committees are documented in the minutes signed by the Chairman of the meeting and the Secretary.

The Chairman of the Committee reports on the activities carried out by the same to the Board of Directors in the most appropriate manner, and in any case on each occasion at the first possible meeting.

Committees may access the information and company departments required to carry out their tasks, and may make use of financial resources and the company's facilities or external consultants of their choice, at the Company's expense, within the company budget or with the prior approval of the Board of Directors.

## **6.1 SUSTAINABILITY COMMITTEE**

### **Composition and functioning**

On 20 October 2022 the Board of Directors resolved to establish the Sustainability Committee, setting the number of members as three, all non-executive directors (Cavatorta, Cicchetti and Hernandez), of whom the Chairman, Laura Cavatorta, is independent.

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

The Committee's operating procedures and the prerogatives acknowledged to it are governed by regulations, most recently updated on 13 May 2021. See paragraph 6 above for the provisions applying to all board Committees.

### **Functions and activities performed**

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

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

In 2022, the Committee held 7 meetings lasting an average of 2 hours and 15 minutes with an attendance rate of 93.1% (100% for independent directors).

In 2023, 7 meetings are planned and, as of the date of this Report, 2 meetings have been held.

The activities carried out in 2022 included, inter alia: checking the state of progress of the 2022 Sustainability Plan and the updating of the Sustainability Plan; participation in the definition of the materiality matrix for

the purposes of non-financial reporting and the structure of the integrated sustainability report with the NFS; identifying the sustainability objectives proposed to the Nomination and Remuneration Committee for inclusion in the 2023 MBO scorecard of the General manager and the new share ownership incentive plan; monitoring of the ESG rating assigned to INWIT.

## **7. SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS – NOMINATION COMMITTEE**

### **7.1 SELF-ASSESSMENT AND SUCCESSION OF DIRECTORS**

#### ***Self-assessment***

In compliance with the provisions of art. 4 of the Corporate Governance Code, the Board of Directors conducted a self-assessment, as it has each year since 2015.

For the financial year 2022 it was deemed opportune to avail of the support of a consultant, already chosen in the two previous years by the Nomination and Remuneration Committee as Russell Reynolds Associates . The aforementioned consulting firm has not performed any assignments for INWIT in the previous 24 months; it has performed head hunter services for TIM and Vodafone, but due to the company's high professional standing it was considered that this did not compromise the independence and objectivity required by the assignment.

The self-assessment of the Board of Directors and Board Committees of INWIT for 2022 was carried out by a senior partner of Russell Reynolds Associates, expert in board effectiveness, and it was performed in line with the most advanced methodology at international level.

The self-assessment process of 2022 took into consideration the renewal of the Board of Directors which was appointed on 4 October 2022.

In January 2023 the advisor conducted individual interviews with the members of the Board of Directors in office since 4 October 2022, the Chairman of the Board in office in the previous term of office and the Chairman of the Board of Statutory Auditors. The Secretary of the Board of Directors was also interviewed as observer.

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

The process was completed in the second half of February 2023 and the results, as summarised in a specific brief report, were discussed at the board meeting on 2 March 2023.

In short, the Directors expressed their total appreciation and satisfaction with the size, composition and functioning of the Board of Directors and its Committees; the Board operates in substantial compliance with the Corporate Governance Code and with international and Italian best practices.

Based on the limitations on the operation of the Board and its Committees in 2022, the following strengths were identified:

- the new composition of the Board of Directors has been strengthened by the new members' expertise on economic, business, legal, financial, and governance matters. The Board of Directors is largely composed of Directors with a strong motivation to participate; the Directors are fully aware of the responsibilities, powers and duties pertaining to the function they are required to perform;
- the Chairman manages the meetings with great charisma and expertise in both business and governance;
- the Board of Directors operates well, board discussions are geared towards open and constructive discussion, and the Directors feel they can express their opinions freely. There is strong commitment to practicality;
- all the Directors are satisfied with the focus on sharing corporate strategies and discussing the business plan;
- the excellent relationship built between management (especially the General Manager) and the Board was emphasised;
- the expertise and contribution of the Corporate Secretary's Office to improving and streamlining the work of the Board of Directors has been acknowledged by all the Directors, with particular reference to the organisation of documentation by subject, the preparation of an executive summary and the timely dispatch of such documents to all Board participants;
- the Directors consider the structure of the Board to be appropriate in terms of Board Committees; the Committees' activities are appreciated.

Some activities carried out in the financial year 2022, such as the organisation of the Strategy Day (already carried out for 2023 as well) were also appreciated. During the interviews, some areas for improvement were also identified. In particular, the opportunity emerged to:

- implement an induction programme on various topics, such as antitrust, corporate governance, sustainability/ESG and the evolution of services related to the tower business;
- always hold Board of Directors meetings in-person and in the same venue; organise informal in-person meetings to strengthen relations between Directors (off-site);
- hold half-yearly meetings of the Independent Directors.

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

### **Succession of Directors**

The succession plan for the Chief Executive Officer and the Chairman and the Replacement Tables for the Chief Executive Officer and Key Managers (Top Management, as defined in the Corporate Governance Code) were approved by the Board of Directors at its meeting on 30 September 2021.

Upstream of the process, the target profile of the CEO which is closely related to the update of the Succession Plan was defined; the update of the profile is needed considering the evolution of the leadership, the business paradigm and the skills required today compared to 2017.

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

The succession plan will be updated in 2023 to take into account the termination of the shareholders' agreement between Tim and CTHC (see paragraph 2, letter g)).

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

The process described includes:

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

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

In the event of the early termination of the Chief Executive Officer, the Board of Directors appoints the Nomination and Remuneration Committee to evaluate the shortlist of candidates for succession resulting from the Replacement Tables, against the target profile of the Chief Executive Officer. The Committee submits the shortlist, identified in implementation of the provisions of the Shareholders' Agreement, to the Board of Directors for the appointment of the Chief Executive Officer.

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

## **7.2 NOMINATION AND REMUNERATION COMMITTEE**

### ***Composition and functioning***

Since 2015, INWIT has set up – based on considerations of operational efficiency – a Nomination and Remuneration Committee combining the tasks and responsibilities assigned by the new Corporate

Governance Code (and previously by the Corporate Governance Code) to the Nomination Committee and the Remuneration Committee.

The Nomination and Remuneration Committee (hereinafter in this paragraph the “Committee”) currently in office – appointed by the Board of Directors on 20 October 2022 – is composed of five non-executive directors Christine Roseau Landrevot (Chairman), Laura Cavatorta, Pietro Guindani, Rosario Mazza, Francesco Valsecchi, three of whom are independent

The Committee in office with the previous board consisted of three non-executive members, two of whom are independent.

All the members of this Committee possess adequate expertise in financial matters or remuneration policies. The regulations of the aforementioned Committee are contained not only in the Company’s Corporate Governance Principles but also in the specific regulations approved by the Board of Directors at its meeting on 23 April 2020 and subsequently updated on 13 May 2021 (documents available in the Governance section of the Company website [www.inwit.it](http://www.inwit.it)). See paragraph 6 for the provisions applying to all board Committees.

### **Functions and activities performed**

The Committee combines the duties and responsibilities attributed to the Nomination Committee and the Remuneration Committee by the Corporate Governance Code<sup>1</sup>.

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

- makes proposals to the Board of Directors on the succession plan of the Chief Executive Officer if it is adopted by the Board of Directors and monitors the updating of the company management replacement tables;
- establishes the procedure and period for the annual evaluation of the Board of Directors;
- proposes the criteria for allocating the total annual remuneration established by the Shareholders’ Meeting for the whole Board of Directors;
- makes proposals on stock option plans and the remuneration of top management;
- performs other duties assigned to it by the Board of Directors.

In 2022, the Committee has met 13 times. The average duration of meetings was approximately one hour and forty-five minutes and the attendance percentage of members was 97.7% (100% for independent directors).

---

<sup>1</sup>Pursuant to art. 5, Recommendation 25 of the Code, the Board of Directors entrusts the Remuneration Committee to:

- a) assist it in the development of the remuneration policy;
  - b) submit proposals or issue opinions to the Board of Directors for the remuneration of Executive Directors and other Directors who cover particular offices, as well as for the identification of performance objectives related to the variable component of that remuneration;
  - c) monitor the practical application of the remuneration policy and verify, in particular, the actual achievement of performance objectives;
  - d) periodically evaluate the adequacy and overall consistency of the remuneration policy of directors and top management.
- In addition, pursuant to art. 2, Recommendation 19 of the Code, the Appointment Committee assists the Board in the following activities:
- a) self-assessment of the management body and its committees;
  - b) definition of the optimal composition of the management body and its committees;
  - c) identification of the candidates for the office of director in case of co-optation;
  - d) possible presentation of a slate by the outgoing management body to be implemented according to methods that ensure the transparent formation and presentation of the same;
  - e) preparation, updating and implementation of the succession plan, if any, for the chief executive officer and other executive directors.

In relation to the duties of the Nominations Committee, during 2022 the Committee supervised the investigation of the self-assessment of the board of directors and its committees and monitored the processes of management selection especially of those who took on the status of key managers.

For 2023 the Committee plans to hold 7 meetings; at the date of this Report 2 meetings had already been held, with 100% of the members in attendance.

## **8. REMUNERATION OF DIRECTORS – REMUNERATION COMMITTEE**

Information on the remuneration of directors and managers with strategic responsibilities (i.e. "top management" within the meaning of the Corporate Governance Code) and on the activities carried out by the Remuneration Committee in 2022 are available in the Report on the remuneration policy and compensation paid, published on the Company's website at [www.inwit.it](http://www.inwit.it), in the Governance section.

For information on the duties and functioning of the Remuneration Committee, please refer to paragraphs 7.2 and 6 above, as well as to the Committee Regulation.

## **9. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM – CONTROL AND RISK COMMITTEE**

### ***Organisational structure and configuration***

In line with article 6 of the Corporate Governance Code, INWIT's Internal Control And Risk Management System (SCIGR) is made up of a set of rules, procedures and organisational structures aimed at effectively and efficiently identifying, measuring, managing and monitoring the main corporate risks, so to contribute to the sustainable success of the Company.

The SCIGR is an integral part of the Company's general organisational structure and comprises a number of players who act in a coordinated manner according to the responsibilities assigned to them: the Board of Directors, which plays a role in providing guidance and assessing the adequacy of the system; the General Manager as the person appointed to set up and maintain the internal control and risk management system bearing in mind the Top management structure following the renewal of the Board; the Control and Risk Committee, which is responsible for assisting the Board of Directors in its assessments and decisions relating to the internal control and risk management system and the approval of periodic financial and non-financial reports; the head of the internal audit department, appointed to verify that the internal control and risk management system is operational, adequate and consistent with the guidelines established by the Board of Directors; the other corporate departments involved in controls and the supervisory body, which supervises the effectiveness of the internal control and risk management system.

Precisely thanks to its integration into the company's processes and organisation, the SCIGR makes it possible to pursue the values of substantive and procedural fairness, transparency and accountability, which are considered the foundations of INWIT's business actions, in compliance with the provisions of the Code of Ethics and the Corporate Governance Principles (both of which can be consulted on the website [www.inwit.it](http://www.inwit.it), Governance section), as well as to guarantee, in particular, the efficiency of corporate and

business management and ensure that it is known and verified; the reliability of financial and non-financial information and accounting and management data; compliance with applicable laws and regulations, also so as to prevent fraud to the detriment of the Company and the market.

With a view to the continuous evolution of the SCIGR, in 2022 INWIT embarked on a path of gradual implementation of a specific system for the detection, measurement, management and control of tax risk, so-called Tax Control Framework ("TCF").

In order to ensure the adequacy and effective and efficient application of the rules and controls defined, the SCIGR is subject to periodic review and verification, taking into account the evolution of the Company's business and the macro-economic context in which it operates as well as national and international best practices.

In particular, the Board of Directors annually assesses the adequacy and effectiveness of the SCIGR with respect to the characteristics of the business and the risk profile assumed, so that business risks are properly identified, assessed, monitored, managed and mitigated over time.

In carrying out its assessment for 2022, the Board of Directors, also taking into account the reports of the Internal Audit manager and the control body, endorsed the opinion expressed by the Control and Risk Committee, which considered the current structure of the internal controls and the system operation methods, taking into account the evolutionary aspects, substantially adequate for the characteristics of the Company.

### ***Enterprise Risk Management***

Inwit has its own risk management system, defined on the basis of reference best practices, which aims to ensure – through a process of identifying, measuring, managing and monitoring the main risks – the sound, fair and consistent operation of the company in line with the pre-established objectives, in compliance with the Code of Ethics and the Company's Corporate Governance Principles approved by the Board of Directors. In this regard, the Company has adopted a dedicated Enterprise Risk Management Framework (hereinafter ERM), the purpose of which is to identify and assess any potential events that, should they occur, could affect the achievement of the main company objectives defined. This Framework provides a unified picture of risk exposure integrated with the industrial planning process, thus enabling informed risk management and fostering the development of synergies among the different players involved in the assessment of the Internal Control System

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

#### **Risk Identification**

This phase includes the definition of the Risk Universe, understood as a complete list of the risks that could impact the Company in terms of the achievement of objectives and/or the development of business activities and the relative classification based on specific reference categories. The identification of risks starts both from "desk" analysis of the main company documents, sector documentation, as well as direct discussions with heads of department so as to cyclically intercept any emerging risks or intercept the

changing impact of already existing risks. The risk universe also integrates material issues significant for the company pursuant to Legislative Decree 254/2016.

### **Risk Evaluation**

The identified risks are subjected to an evaluation as follows:

- Risk assessment at the inherent level, by identifying the levels of impact and probability of occurrence assuming the absence of control safeguards, and subsequent selection of the Top Inherent Risks, understood as the risks with the highest level of inherent risk.

The probability of occurrence of risks is assessed both on the basis of the frequency with which the risk has historically occurred and the probability of it occurring in the future over the time horizon of the Plan

- Performance of Risk Analysis on a selection of risks that have an impact on the objectives of the Plan, through quantification of the risk (sensitivity) and determination of the expected impact for each single year and cumulative on certain variables.

- Residual level risk assessment for Top Inherent Risks, by evaluating existing control safeguards and determining the Residual Risk level, combining impact and probability values following application of the reduction coefficient calculated on the basis of existing safeguards. Selection of the Top Residual Risks based on the positioning in the residual risks matrix (impact\*probability following application of the safeguards) and acceptability levels.

### **Risk Mitigation**

For each Top Residual Risk determined during the Risk Evaluation phase, mitigation actions are identified and periodically monitored in order to ensure accountability on the part of Risk Owners with regard to the agreed mitigation actions and facilitate escalation mechanisms to Top Management for actions that have not been completed or have significant delays.

### **Risk Reporting**

The process concludes with quarterly reporting to Top Management (Risk Reporting phase) for each issue developed within the Risk Management process, including indications of the progress of Action Plans and investigations of specific risks.

### ***The SCIGR in the financial reporting area***

INWIT is aware that financial reporting has a central role when building and maintaining dialogue and relations with stakeholders, contributing to the creation of positive relations between the company and those it interacts with, helping not only company performance but also creating value for the shareholders.

Internal Control over Financial Reporting (hereinafter ICFR) is defined as the set of activities aimed at identifying and assessing the actions or events whose occurrence or absence could partly or completely

compromise achievement of the trustworthiness<sup>2</sup>, accuracy<sup>3</sup>, reliability<sup>4</sup> and promptness<sup>5</sup> of the financial reporting.

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

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

It is essential to place the activities concerning the ICFR system within the scope of the risk management and internal control system that the Company has adopted, according to its organisational, operational and corporate governance configuration, as well as the specific regulatory framework of the sphere in which it operates.

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

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

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

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

---

<sup>2</sup>Trustworthiness (of the reporting): reports that are correct and comply with the generally accepted accounting standards and with the requirements of the applicable laws and regulations.

<sup>3</sup>Accuracy (of the reporting): reports that are neutral and precise. Financial reports are considered neutral if they do not contain pre-conceived distortions aimed to influence the decision-making process of its users in order to obtain a specific result.

<sup>4</sup>Reliability (of the reporting): reporting that is so clear and complete that investors can make informed and aware investment decisions. Reporting is considered clear if it simplifies the understanding of complex aspects of the Company, without being excessive and pointless.

<sup>5</sup>Promptness (of the reporting): reports that comply with due dates set for its release.

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

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

On the basis of the scoping and the processes identified as relevant, an update is carried out on the mapping of the standard risks<sup>6</sup> and general control objectives<sup>7</sup>, achievement of which could be invalidated due to potential<sup>8</sup> unintentional errors or frauds<sup>9</sup>.

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

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

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

---

<sup>6</sup>Risk: potential event that may impair the achievement of goals related to the control system on financial reporting (the System), that is to say, accuracy, reliability, trustworthiness and promptness goals of the financial information.

<sup>7</sup>Control goals: set of goals that the System aims to achieve in order to assure a truthful and correct representation of the Financial Reporting. Such goals consist of "financial statement affirmations" (existence and occurrence, completeness, rights and obligations, assessment and registration, presentation and reporting) and of "other control goals" such as compliance of authorisation limits, separation of incompatible duties, controls on physical safety and the existence of assets.

<sup>8</sup>Error: in relation to the System, any unintentional act or omission that results in a misleading declaration in the financial reporting.

<sup>9</sup> Fraud: in relation to the System, any intentional act or omission that results in a misleading declaration in the financial reporting.

would require the aforementioned Matrices to be updated. The next phase is the assessment of the controls against the specific risks identified, which is carried out through specific tests, aimed at checking the design, efficiency and operational effectiveness of the controls in place envisaged in the Internal Control over Financial Reporting.

It is specified that:

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

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

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

On the basis of the results that emerged from the testing, in terms of both design and operation, and the efficiency of the control, a remediation plan is identified which sets out, for each shortcoming detected, the relative action plan, implementation times and ownership of the activity. The remediation plans are shared

with the line management, the heads of departments and sent to the Executive responsible and are subject to periodic monitoring (at least quarterly) on the state of progress of the corrective actions (follow-up activities) through consultation with the company's management involved in respect of the deadlines set. For the most significant shortcomings that could have a considerable impact on the Financial Reporting, the timely implementation of corrective actions and their completion is required in accordance with the issuing of the certification letter on the Financial Statements.

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

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

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

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

The articulation of the system described and the relative realisation and implementation is the responsibility of the Executive Responsible (governed by Law 262/05) who carries out his/her functions with the assistance of a dedicated team focused on the management activities of the 262 model.

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

The Executive Responsible periodically brings the findings of the assessment process described above (and in particular, any control shortcomings deemed significant/material in terms of potential impact of error/fraud on the financial reporting) to the attention of the Control and Risk Committee and the Board of Statutory Auditors of the Company. It also presents a summary of the activities carried out, at its meetings. The certification process is guided by INWIT's "Operating Manual for managing activities in compliance with Law 262/05," a document that describes the procedures for managing and updating Internal Control over Financial Reporting (ICFR) as well as the operating procedures for carrying out the testing and the guidelines

for managing compliance and monitoring activities for the purpose of the certifications required by current legislation.

In relation to the periodic certification drawn up pursuant to article 154-bis CLF (pursuant to Law 262/2005), the Executive Responsible maintains final responsibility for the entire process and has direct responsibility, also through the relevant company departments, for periodically defining the scope of application of the reference legislation, assessing the design, operation and effectiveness of the controls, the final and overall assessment of the internal control over financial reporting and managing relations with the independent auditor. Through the relevant control owners, the management is responsible for identifying and periodically updating the controls against the risks identified, and consequently for management of the control shortcomings, as well as for execution of the remedial plans needed to overcome them.

## **9.1 CHIEF EXECUTIVE OFFICER**

In line with Recommendation no. 32, letter b) of the Code, the institution and maintenance of the internal control system was assigned to the Chief Executive Officer, so as to ensure the overall adequacy of the system and its practical functionality, in a risk-based perspective, which is also taken into account in determining the agenda for the Board's proceedings.

It should be noted in this regard that, on 7 October 2022, this role was entrusted to the General Manager, due to the changed governance structure, as resulting from the Shareholders' Meeting of 4 October and the subsequent Board of Directors' meeting. In particular, in light of the current composition of the Board of Directors, which does not contemplate a Chief Executive Officer, and the power structure, the General Manager is, in fact, the most comparable figure to the CFO and suitable to occupy this position, providing a profitable and constant connection between the Company and the Board of Directors.

Given the above, as at the date of publishing this Report, as part of the ERM process, the General Manager handles identification of the main business risks, taking into account the characteristics of the activities carried out by the Company. He promptly refers to the Control and Risk Committee any issues or critical points that have emerged from the execution of their activity or which have in some way come to their attention, in order that the committee (or the board) may take the appropriate initiatives. He may also ask the Audit department to carry out audits on specific operational areas and on compliance with the internal rules and procedures, giving simultaneous notice to the Chairmen of the Board of Directors, the Control and Risk Committee and the Board of Statutory Auditors.

## **9.2 CONTROL AND RISK COMMITTEE**

### ***Composition and functioning***

The Control and Risk Committee currently in office – appointed by the Board of Directors on 20 October 2022 – is made up of 5 non-executive directors (Stefania Bariatti (Chairman), Quentin Le Cloarec, Pietro Guindani,

Secondina Giulia Ravera and Francesco Valsecchi), 4 of whom are independent. The Committee in office with the previous board consisted of five non-executive members, of whom three independent.

The regulations of the Control and Risk Committee (henceforth in this paragraph simply the "Committee") are contained not only in the Corporate Governance Principles but also in the specific Regulations approved by the Board of Directors at its meeting of 23 April 2020, subsequently updated on 13 May 2021 (documents available on the website [www.inwit.it](http://www.inwit.it), Governance section). See paragraph 6 for the provisions applying to all board Committees.

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

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

### **Functions and activities**

The Committee is a body charged with giving advice and making proposals, and has the task of supporting, with adequate investigations, the assessments and decisions of the Board of Directors regarding the internal control and risk management system, and the activities relating to approval of the periodic financial reports. Without prejudice to the tasks assigned by the Corporate Governance Code<sup>10</sup>, the Committee, pursuant to the INWIT Corporate Governance Principles:

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

In 2022, the Control and Risk Committee held 11 meetings; 10 of which were held jointly, entirely or in part, with the Board of Statutory Auditors.

The average duration of meetings was approximately two hours and ten minutes, the percentage attendance of members was about 81.8% (97.1% for independent directors).

---

<sup>10</sup>Pursuant to art. 6, Recommendation 35, the Committee, in assisting the Board of Directors:

- a) after consulting the executive responsible for preparing the corporate accounting documents, the external auditor and the control body, assesses whether the accounting standards have been correctly applied and, in the case of groups, their consistency for the purposes of preparing the consolidated financial statements;
- b) assesses the suitability of the periodic financial and non-financial information to correctly represent the company's business model and strategies, the impact of its activities and the performance achieved, in coordination with any committees envisaged by recommendation 1, letter a);
- c) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- d) expresses opinions on specific aspects concerning the identification of the main corporate risks and assists the management body in its assessments and decisions concerning the management of risks deriving from prejudicial facts of which the latter has become aware;
- e) examines periodic reports and reports of particular importance prepared by the internal audit department;
- f) monitors the independence, adequacy, efficiency and effectiveness of the Internal Audit department;
- g) may request the Internal Audit department to review specific operational areas, simultaneously informing the chairman of the control body;
- h) reports to the Board of Directors, at least on the occasion of the approval of the annual and half-year financial reports, on the activity carried out, as well as on the adequacy of the internal control and risk management system.

The Committee also assists the Board of Directors in the activities set forth in art. 6, Recommendation 33 of the Corporate Governance Code

The activities carried out by the Committee in 2022 (and up until the date of this Report) include, inter alia: the analysis of periodic reports by the Audit Department, acquiring assessments of the internal control and risk management system; continuous monitoring of the state of progress of the 2022 Audit Plan and in-depth analyses of the results of the audits already concluded, also holding meetings with the management involved in producing the action plans; monitoring the selection process of the new Head of Internal Audit. It also monitored the implementation of some corporate processes, subject to in-depth review following the merger of Vodafone Towers into INWIT.

The Committee issued its opinion on the Head of Audit's 2023 MBO scorecard and 2023 Audit Activity Plan.

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

For 2023, the Committee has planned to hold 7 meetings; as at the date of this Report 3 meetings have been held (jointly, entirely or in part, with the Board of Statutory Auditors), which were attended by all members.

### **9.3 HEAD OF AUDIT DEPARTMENT**

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

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

- 1) verifies, both on a continuous basis and in relation to special needs, in conformity with international standards, the adequacy and effective functioning of the Internal control and risk management system, through an audit plan approved by the Board of Directors, based on a structured analysis and ranking of the main risks;
- 2) is not responsible for any operational area and reports directly to the Board of Directors;
- 3) has direct access to all information useful for the performance of his or her duties;
- 4) drafts periodic reports containing information on his or her own activity, and on the risk management process, as well as about compliance with the plans defined to mitigate these risks. The periodic reports contain an assessment of the adequacy of the Internal control and risk management system with regard to the processes examined;
- 5) prepares timely reports on particularly significant events;

- 6) submits the reports indicated under items 4) and 5) to the chairmen of the Board of Statutory Auditors and Control and Risk Committee and to the Chairman of the Board of Directors and Chief Executive Officer, as the director in charge of the internal control and risk management system;
- 7) tests the reliability of the information systems, including the accounting system, as part of the audit plan.

The Internal Audit Department executes its mandate by providing the following services:

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

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

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

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

The Head of the Internal Audit Department promotes, develops and supports a quality improvement and assurance programme that covers all aspects of internal audit activities. The programme includes an assessment of compliance with the International Professional Practices Framework (IPPF) and the company internal audit procedures, and a continual assessment of the effectiveness and efficiency of its work, also with reference to best practice for the sector. In 2021, this assessment was made following the procedures laid down in the Standards through continuous internal checks (supervision and quality control for each action carried out) and periodic checks (started the 2021-22 Periodic Self Assessment cycle, with assessments made through the models/check-lists defined by the Quality Manual of the II A - Institute of Internal Auditors).

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

The initiatives to improve the professional framework of the Audit Department include the participation of the Head of Audit in the meetings of the Control and Risk Committee regarding periodic financial reporting and risk assessment matters (ERM). The same also takes part in the meetings of the Risk, Control & Compliance Steering Team, a managerial committee within the company.

As permitted by the Corporate Governance Principles adopted by the Company by resolution of the Board of Directors with the approval of the Control and Risk Committee, for the execution of its activities the Internal Audit Department engages a consulting firm identified through a specific tender process, within the scope of which the requirements of professionalism, independence and organisation have been assessed.

#### **9.4 ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001**

The internal control system is completed by the Organisation and Management Model pursuant to Legislative Decree 231/01 (hereinafter referred to as "Model 231") adopted pursuant to Legislative Decree no. 231/2001, aimed at preventing offences from being committed in the interest of or to the advantage of the Company with consequent liabilities for the latter. INWIT's Model 231 is divided into:

- **Code of Ethics:** this is INWIT's charter of values and the body of principles on which the conduct of INWIT's people is based. The Code of Ethics is therefore a tool by means of which INWIT directs its business activities towards the performance of business based on principles of ethics and integrity.
- **General Part:** containing a brief description of the Company, the contents and aims of Model 231 and the methodology used for its implementation, the functions of the SB and the whistleblowing system adopted. The general part also refers to the initiatives for the dissemination and awareness of Model 231 and the disciplinary system.
- **Special Parts:** each special part identifies a process at risk within which sensitive areas and the related predicate offences are identified. In addition, control standards are provided, divided into general principles of conduct and specific control principles.
- **List of offences:** containing the complete list of predicate offences envisaged by Legislative Decree 231/01.
- **List of business processes:** containing reconciliation of sensitive processes pursuant to Legislative Decree 231/01 with corporate macro-processes.
- **Risk Assessment:** containing the mapping of sensitive processes and activities, the related associated predicate offences and the assessment of inherent and residual risk.

It should be noted that the internal control standards were developed in accordance with the following principles: (i) the separation of roles in undertaking the principal activities involved in business processes; (ii) the traceability of decisions, to allow for identification of specific points of responsibility and the motivations for the decisions themselves; and (iii) the objectification of the decision-making processes, based on pre-defined and traceable criteria.

The Model 231 is a dynamic instrument, which affects the corporate operation, which in turn must be constantly checked and updated in the light of feedback, as well as the evolution of the regulatory framework.

INWIT's Model 231 was most recently updated by resolution of the Board of Directors on 14 June 2022 in order to incorporate the changed organisational structure and the regulatory changes occurring in the meantime. In implementation of art. 6 of Legislative Decree 231/01, the Company has also entrusted the task of supervising the functioning and compliance with Model 231 and of keeping it updated to a special Supervisory Body (hereinafter the "SB"), appointed on 23 April 2020. The composition of the same was last modified by a resolution dated 28 July 2022 so as to appoint Alessandro Pirovano as internal member, in place of Laura Trucco

. The current composition of the SB comprises: Francesco Monastero, external member acting as Chairman; the Standing Auditors Giuliano Foglia, Maria Teresa Bianchi and Alessandro Pirovano, internal member, as Head of the Audit Department.

The choice of this composition makes it possible, on the one hand, to guarantee a continuous exchange of information flows between the various parties in charge of control and, on the other, to ensure the presence of different, complementary professional skills consistent with the complexity of INWIT's business. The combination of the SB with the control body would not, instead, have ensured sufficient time to be devoted to carrying out supervisory activities in the respective spheres.

This choice is also in line with Recommendation no. 33, letter e) of the Corporate Governance Code, which recommends in the event that the functions of the SB are not assigned to the Board of Statutory Auditors, that the Board of Directors should assess the advisability of appointing from among its members at least one member of the control body and the holder of the Company's control functions, in order to facilitate supervisory activities in their respective areas of competence, encouraging the timely exchange of information.

The Supervisory Body is assisted in its activities by the Company's Legal & Corporate Affairs - Risk & Compliance Department.

In compliance with the provisions of the Model 231, the SB submitted the report on the activities carried out during the first and second half of 2022 to the Board of Directors, the Board of Statutory Auditors and the Control and Risk Committee - via the respective Chairmen - the contents of which were illustrated at the Board meeting held on 2 March 2023.

In 2022 the Supervisory Body held 10 meetings which were attended by all the members, and the average duration of the aforementioned meetings was around two hours and thirty minutes. In 2023, 1 meeting had taken place by the date this Report was published.

Lastly, it should be noted that on 16 December 2021 the Company adopted its Anti-bribery Policy.

The Governance section of the website [www.inwit.it](http://www.inwit.it) contains a summary section dedicated to the Company's Code of Ethics and Conduct Organisational Model 231 and new Anti-corruption policy.

## **9.5 INDEPENDENT AUDITOR**

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

S.p.A. and the limited audit of the abbreviated half-yearly financial statements) on PricewaterhouseCoopers S.p.A. (Hereinafter "PWC") for the period 2015 – 2023. In 2022, the Head of external audit was replaced, in compliance with legal provisions.

The preparatory work prior to the conferment (or subsequent modifications) of the assignment to audit the financial statements of INWIT is coordinated by the CFO, under the supervision of the Board of Statutory Auditors.

After in-depth preparatory work by the Board of Statutory Auditors, in 2020 the Company adopted a new procedure containing guidelines for the conferment of assignments to the independent auditor (and/or its network), in that the previous work (prepared by TIM S.p.A. and also applied to its subsidiaries) referred to the share ownership structure prior to the integration of Vodafone and governed the conferment of assignments from the perspective of a sole group auditor.

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

## **9.6 EXECUTIVE RESPONSIBLE FOR PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AND OTHER CORPORATE ROLES AND FUNCTIONS**

As per the Bylaws (Art. 18), it is the Board of Directors that appoints the Executive Responsible, after hearing the opinion of the Board of Statutory Auditors. Their duties and powers contained in the Regulation of the Executive Responsible, most recently updated on 1 February 2022 are defined at the time of their appointment.

The Board of Directors in office since 31 March 2020 has appointed Diego Galli, head of Administration, Finance & Control and Chief Financial Officer of the Company, as INWIT's executive responsible for preparing the corporate accounting documents. It should be noted that, following the Shareholders' Meeting of 4 October and the subsequent Board of Directors' meeting that appointed Diego Galli as the Company's General Manager, on 20 October 2022, the Board of Directors appointed Rafael Perrino, formerly head of the Financial, Reporting and Accounting department, as INWIT's Financial Reporting Manager, subject to the favourable opinion of the Board of Statutory Auditors. As he is responsible by law for preparing adequate administrative and accounting procedures for the preparation of the annual and consolidated financial statements, as well as any other communication of a financial nature, the manager in charge of preparing the Company's accounting documents is recognised as having functional (organisational and subject matter) responsibility with respect to internal controls for financial reporting. In this context, the Executive responsible is assisted by the Chief Executive Officer and the General Manager, as part of the internal control system that the Company has adopted and of which it is an integral part. The Executive responsible reports to the Board of Directors, the Control and Risk Committee and – for those matters within its competence – the Board of Statutory Auditors.

\*\*\*\*\*

In addition, over the year in question, the Company, in implementing the recommendations of the Board of Directors and in line with best practices, set up a special "Risk & Compliance" department to ensure synergic and integrated management of risk monitoring and compliance, and established an internal "Risk, Control & Compliance" committee to ensure constant information flows towards top management and coordination of activities. The Board of Directors has positively evaluated this choice, monitoring the progress of the activities and the adequacy of the resources employed, also through the Control and Risk Committee. Lastly, it should be noted that the Company has appointed a Data Protection Officer and an Antitrust Compliance Officer, whose professionalism has been evaluated by the Board of Directors, also following the renewal of the composition of the Board of Directors by the Shareholders' Meeting on 4 October.

### **9.7 COORDINATION OF SUBJECTS INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

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

1. the Board of Directors, which provides direction and periodic (annual) assessment of the system;
2. the General Manager, as person in charge of the establishment and maintenance of the system, in accordance with the guidelines defined by the full Board of Directors (see preceding paragraph 9.1);
3. the Control and Risk Committee, with the role of providing fact-finding support to the Board in relation to its internal control and risk management duties (see preceding paragraph 9.2);
4. the head of the Audit department, who supports the Board of Directors and whose mission, briefly, is to test the functioning and adequacy of the system (see preceding paragraph 9.3);
5. the Executive responsible for preparing the corporate accounting documents, appointed by the Board, with the competences provided for by law and rights defined in the specific internal regulations (see preceding paragraph 9.6);
6. the Board of Statutory Auditors which, borrowing the expression used in the Corporate Governance Code, represents the top of the supervisory system;
7. the corporate departments responsible for line and II level controls.

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

Specifically, coordination between all the subjects involved in INWIT is ensured by (i) the participation of the control body in all the meetings of the Control and Risk Committee, as well as the Board of Directors; (ii) the constant exchange of information flows between the head of Audit and the control body; (iii) the current composition of the SB and (iv) coordination by the Legal & Corporate Affairs department.

## 10. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES – RELATED PARTIES COMMITTEE

The company procedure for performing related party transactions (the "Procedure"), drawn up in compliance with Consob Regulation no. 17221 of 12 March 2010, was originally adopted by the Board of Directors in its meeting on 18 May 2015, after hearing the favourable opinion of the Independent Directors, and became effective on the date trading started in the Company's Shares on the Electronic Share Market organised and managed by Borsa Italiana S.p.A. (i.e. 22 June 2015). Thereafter, the Procedure underwent significant updating with the board resolution of 11 December 2018 as a result of the in-depth investigation by the Control and Risk Committee and it entered into effect from 1 January 2019.

The Procedure was further amended on 23 April 2020 and 10 December 2020. Most recently the Procedure was updated, subject to the favourable opinion of the Related Parties Committee, by resolution of the Board of Directors of 13 May 2021 – effective as of 1 July 2021 – in order to incorporate the amendments to Consob Regulation no. 17221 of 12 March 2010 made by Consob Resolution no. 21624 of 10 December 2020.

The main amendments to the RPT Regulations incorporated into the Procedure are provided below, for details refer to the document published in the Governance section of the website [www.inwit.it](http://www.inwit.it):

- updating of the definitions of "related party" (art. 3, subsection 1, letter a, RPT Reg.) and of 'director involved in the transaction' (art. 3, subsection 1, letter i-bis, RPT Reg.);
- introduction of differentiated criteria for identifying transactions "of a small amount" according to the nature of the counterparty (art. 4, subsection 1, letter a, RPT Reg.). Specifically, the threshold of 100,000.00 euros was introduced for entities and the threshold of 25,000.00 euros for natural persons;
- introduction of the obligation for the directors involved in the transaction to abstain from voting in all transactions falling under the "competence of the Board of Directors", whether of "greater" or "lesser" importance (art. 7, subsection 1, letter d-bis and related reference in art. 8, subsection 1, of the RPT Regulation);
- introduction of the provision for prior verification by the Related Parties Committee of the independence of the experts whose services the Committee has decided to use, for transactions of "greater" and "lesser" importance (art. 7, subsection 1, letter b, and related reference to art. 8, subsection 1, RPT Reg.);
- introduction of the express obligation to attach the opinion of the committee to the minutes of the meeting, for transactions of "greater" and "lesser" importance (art. 7, subsection 1, letter a, and art. 8, subsection 1, letter c, RPT Reg.);
- provision of a quarterly report to the Related Parties Committee and the Board of Directors on all transactions carried out during the period, including those of small amounts;
- provision for automatic non-application of the RPT Regulations to transactions of small amounts, as identified in the company's procedures (art. 13, subsection 2, RPT Reg.).

With regard to "ordinary transactions and transactions concluded under equivalent market or standard conditions", it should be noted that among the excluded transactions, the Company exclusively includes

those classified as "Non-significant Transactions", i.e. ordinary transactions the value of which is between 100,001 and 1,500,000 euros in the case of entities and between 25,001 and 1,500,000 euros in the case of natural persons, provided that they are concluded under market or standard conditions.

The Related Parties Committee is responsible for opinions on related party transactions of greater or lesser importance.

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

If the Related Parties Committee expresses a negative opinion on the completion of a transaction of greater importance, the Board of Directors, where it does not wish to adapt to said opinion, may make performance of the transaction subject to the authorisation of the ordinary Shareholders' Meeting. The transaction may not be carried out if a majority of voting shareholders, other than the related shareholders, if any, vote against the transaction, always provided that the shareholders who are not related shareholders present in the shareholders' meeting represent at least 10% of the share capital with voting rights.

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

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

"Excluded Transactions" (in that they are excluded from application of the Procedure) are considered to be: "Small Amount Transactions" (i.e. with an equivalent-value of or lower than 100,000 euros in the case of entities and 25,000 euros in the case of natural persons); "Intra-Group Transactions" (i.e. with its own subsidiary companies, even jointly, or associates, or between subsidiary companies or associates of INWIT on the condition that there are no significant interests of other related parties of INWIT in the subsidiaries or its affiliates that are counterparties to the transaction); the resolutions of the Shareholders' Meeting on the subject of remuneration, pursuant to articles 2389, subsections one and three, and 2402 of the Italian Civil Code; the resolutions on the remuneration of Directors, Statutory Auditors and key managers that meet the requirements contained in the Consob Regulations; remuneration plans based on financial instruments

approved by the Shareholders' Meeting pursuant to art. 114-bis of Consolidated Law on Finance and the relative executive transactions; any further transactions which the Consob Regulation excludes from its sphere of application.

Ordinary transactions the value of which is between 100,001 and 1,500,000 euros in the case of entities and between 25,001 and 1,500,000 euros in the case of natural persons, provided that they are concluded under market or standard conditions excluded from application of the Procedure, are classified as "Non-Relevant Transactions".

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

The related-party transactions process is supported by an IT application, through which each "Transaction Owner" must report any related party transactions it intends to carry out, regardless of the amount.

#### **10.1 RELATED PARTIES COMMITTEE COMPOSITION AND FUNCTIONING**

On 20 October 2022 the Board of Directors resolved to set up a Related Parties Committee, setting the number of members as three, all independent directors; the current members are Secondina Giulia Ravera (Chairman), Stefania Bariatti and Christine Roseau Landrevot. The Committee in office with the previous board also consisted of three independent directors.

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

See paragraph 6 for the methods of functioning, the same as those of the other board committees.

#### **Functions and activities performed**

In compliance with the applicable laws and regulations, the Committee is responsible for issuing opinions on related party transactions of lesser and greater importance, as per the Consob Related Party Regulations and the RPT Procedure.

In 2022 the Committee held 8 meetings, for an average duration per meeting of 1 hour and 45 minutes, with a participation rate of 100%. It met urgently on two occasions, with 24 hours' notice (instead of 12 hours) to complete its investigation of related party transactions prior to their approval by the Board of Directors.

During the course of the year, the Committee analysed and issued opinions on specific operations, none of which qualified as being of greater importance. The Committee also acquired the quarterly reports prepared by the Risk & Compliance department, in accordance with the procedure, verifying exact compliance therewith.

For 2023, 8 meetings are planned, allowing for the possibility of organising additional meetings depending on the operational requirements; at the date of this Report 1 meeting had been held.

## II. BOARD OF STATUTORY AUDITORS

### II.1 APPOINTMENT AND REPLACEMENT

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

The appointment of the Board of Statutory Auditors shall be in compliance with the applicable laws and regulations on the basis of slates presented by shareholders. Each shareholder may present or participate in the presentation of one slate only and each candidate may appear on only one slate on pain of ineligibility. Slates may only be submitted by shareholders who alone or together with other shareholders hold the number of shares representing the amount of the share capital established by the Consob regulations.

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

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

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

- 1) if, as a result of voting, there is only one or there is no Qualified Slate (i.e., any slate that has obtained a number of votes representing more than 25% of the Company's share capital with voting rights), (i) from the slate which has obtained the highest number of votes, 2 Standing Auditors and 1 Alternate Auditor shall be chosen in the order in which they are listed on the slate and (ii) from the second slate that received the most votes, 1 Standing Auditor and 1 Alternate Auditor shall be chosen in the order specified therein;
- 2) if, as a result of voting, there are two Qualified Slates and neither of these Qualified Slates has obtained a number of votes representing more than 50% of the voting capital of the Company, (i) from each Qualified Slate, 1 Standing Auditor and 1 Alternate Auditor shall be chosen in the order specified therein and (ii) from the third slate that received the most votes, 1 Standing Auditor shall be chosen in the order specified therein;
- 3) if, as a result of voting, there are two Qualified Slates and one of these Qualified Slates has obtained a number of votes representing more than 50% of the voting capital of the Company, (i) from the Qualified Slate that has obtained the highest number of votes, 2 Standing Auditors and 1 Alternate Auditor shall be chosen in the order specified therein and (ii) from the Qualified Slate that was the second slate to receive the most votes, 1 Standing Auditor and 1 Alternate Auditor shall be chosen in the order specified therein;

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

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

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

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

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

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

## **11.2 COMPOSITION AND FUNCTIONING**

The Shareholders' Meeting of 20 April 2021 appointed the Board of Statutory Auditors for the three-year period 2021-2022-2023; on the basis of the slates submitted by shareholders the following were appointed pursuant to the bylaws:

- from the slate submitted jointly by the shareholders Daphne 3 S.p.A. and Central Tower Holding Company B.V., which ranked first for number of votes with 74.9%, the Standing Auditors Maria Teresa Bianchi and Giuliano Foglia and the Alternate Auditor Michela Zeme;

- from the other slate submitted by a group of Asset Management Companies and international investors (“minority slate”, with 25%), the Standing Auditor Stefano Sarubbi and the Alternate Auditor Roberto Cassader.

As provided for by the Bylaws, Stefano Sarubbi, taken from the minority slate, was elected Chairman of the Board of Statutory Auditors; Mr Sarubbi also held this office in the previous three-year period, during which Umberto La Commara and Michela Zeme acted as Standing auditors.

The *curricula vitae* of the members of the control body are available on the website [www.inwit.it](http://www.inwit.it).

In 2022 the Board of Statutory Auditors carried out the typical supervisory activities specified in Italian law, verifying that the Company’s transactions of major impact on its revenues, finances and assets were carried out in accordance with the law, the Bylaws and the principles of correct administration, checking that the self-regulation procedures and principles adopted for the execution of transactions with related parties were respected, and that such transactions were aligned with the interests of the company, ensuring that the principles of correct administration were respected and the organisational structure of the business was adequate. The Board also supervised the adequacy of the internal control system and the adequacy of the administrative and accounting system of the Company, and the reliability of the latter to correctly represent the actions of the management.

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

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

In 2022, there were 24 meetings of the Board of Statutory Auditors (10 of which were entirely or partly held jointly with the Control and Risk Committee). The average duration of the meetings was approximately two hours and ten minutes (excluding joint meetings). Attendance was 100% at the meetings of the Board of Statutory Auditors only; in the joint meetings one Statutory Auditor did not attend one meeting. In 2023, the Board of Statutory Auditors is scheduled to hold 12 meetings (in addition to the joint meetings with the Control and Risk Committee); at the date of approval of this Report, 3 meetings of the Board of Statutory Auditors had been held, in addition to a further 3 meetings held, entirely or in part, jointly with the Control and Risk Committee.

Table 4 presents information on the current composition of the Board of Statutory Auditors.

### **Diversity criteria and policies**

The section of the company bylaws regarding the appointment of the Board of Statutory Auditors took account of the regulatory provisions that require the company to reserve a set quota of members to the less represented gender. However, aware that in the composition of company bodies gender diversity represents an opportunity and a value, the Bylaws of the Company adopted in view of its listing had provided that the predetermined quota of members of the Board of Directors and of the Board of Statutory Auditors should be

reserved to the less represented gender and apply permanently instead of – as provided for by law – limited to just three terms of office.

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

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

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

### **Independence**

At the meeting on 11 February 2022 the Board of Statutory Auditors checked whether its members still hold the independence requirements pursuant to art. 148, subsection 3, of the CLF and those laid down in the Corporate Governance Code, also checking, pursuant to Legislative Decree no. 39/2010 whether as a whole they possess expertise in the sector in which the Company operates. The Board of Statutory Auditors carried out a self-assessment process, for the third year, availing of the consulting firm Russell Reynolds, and finalised its report on 13 February 2023. The Board of Statutory Auditors reported to the Board of Directors at the meeting on 2 March 2023 on the outcome of the self-assessment process, which is positive in terms of the quali-quantitative profile and effective functioning. In particular, the mix of skills and experience expressed by the Statutory Auditors enables them to effectively fulfil the Body's responsibilities and is adequate to deal with the complexities and current and future issues of the Company; clear operational balances and harmony of the methods of dialogue between its members emerge. The planning activity and that of documentation investigation is very effective, also thanks to the support of the Secretary's office of the Company.

The quantitative and qualitative criteria for assessing the significance of commercial, financial or professional relationships, as well as significant additional remuneration beyond the fixed fees for the office and the amount envisaged for participation in board committees which could compromise independence, approved by the Board of Directors on 29 July 2021, apply to the Board of Statutory Auditors. See paragraph 4.7 for more details.

### **Remuneration**

The Shareholders' Meeting held on 20 April 2021 for the appointment of the members of the Board of Statutory Auditors, also established the annual fees as 75,000 euros for the Chairman of the Board of Statutory Auditors and 55,000 euros for each of the Standing Auditors; for the Statutory Auditors who are also members of the Supervisory Body, pursuant to Legislative Decree no. 231/2001, an additional fee of 5,000 euros is envisaged.

## 12. SHAREHOLDER RELATIONS

INWIT has chosen a manager, reporting to the Chief Financial Officer, appointed to handle relations with the financial community and with all the shareholders (Head of Investor Relations). The Investor Relations department develops and manages relations with investors and equity analysts, so as to facilitate an effective, complete, timely and transparent communication flow between the company and the market. In 2022, the financial communication programme included many meetings between the Company and the international financial community, organised both in presence and virtually, on a regular basis. The company took part in numerous roadshows, trade conferences for infrastructure issuers, in the communications and digital technology sector, as well as events focused on the Italian stock market, reaching a global audience of institutional investors, current or potential shareholders. This activity focused on the main European and North American financial markets. This activity is supplemented by constant contact with investors and analysts through ad hoc meetings, direct phone calls and emails.

Over the year, the number of financial analysts who initiated and maintained continuous coverage of securities increased from 23 in 2021 to 27 in 2022, confirming the strong interest of the main international financial intermediaries in INWIT and wireless infrastructures. Again in 2022 an independent analysis regarding investors and analysts' perception of the company, a so-called perception study, was carried out. This study showed a general positive market appreciation for the company's strategy and a good level of understanding of the same.

The Investor Relations team pays constant attention to the timely updating of the Investor Relations section of its website. This section provides the public with information about the Company which is relevant to shareholders, so that they can exercise their rights in an informed manner.

INWIT Investor Relations contacts are as follows:

INWIT S.p.A. – *Investor Relations*

Largo Donegani n. 2 – 20121 MILAN E-mail: [ir@inwit.it](mailto:ir@inwit.it)

## 13. SHAREHOLDERS' MEETINGS

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

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

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

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

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

For the purpose of adopting resolutions on the following matters, the Shareholders' meeting passes resolutions with the favourable vote of at least 75% of the voting capital present:

- (a) merger and demerger (except for mergers and demerger resolutions within the jurisdiction of the Board of Directors as provided for therein);
- (b) transfer of the registered office abroad and transformation;
- (c) voluntary dissolution;
- (d) increase or reduction of capital, with the exception of (i) capital increases without limitation or exclusion of pre-emptive rights resolved in the presence of losses in the cases referred to in art. 2447, and (ii) capital increases without limitation or exclusion of pre-emptive rights, the subscription price of which (including the share premium) is at least equal to the value of the arithmetic mean of the closing prices of the security on the MTA market over the six months prior to the call notice of the shareholders' meeting called to resolve on the capital increase and which (x) are at the service of investments approved by the Board of Directors or (y) are necessary to prevent or remedy the breach of covenants set out in loan agreements to which the Company is party or situations of insolvency of the same or (z) are resolved in the presence of losses in the cases set out in art. 2446;
- (e) other amendments to the Bylaws (including the amendments to this article 11 of the Bylaws), except for (i) the capital increases or reductions referred to in letter (d) above, excluded from the scope of application of the qualified majority referred to in this article 11.2, (ii) the resolutions falling under the competence of the Board of Directors pursuant to the provisions of paragraph 18.2 below; it being understood, therefore, for the sake of clarity, that the resolutions referred to in point (i) above shall be approved with the resolution quorums provided for by law;
- (f) resolutions authorising related party transactions of greater importance, pursuant to article 2364, subsection 1, number 5) of the Italian Civil Code.

Two shareholders' meetings were held in 2022: on 6 April 2022, the Annual Shareholders' Meeting was held to approve the financial statements as at 31.12.2021, which 8 out of 13 directors in office attended.

The Shareholders' Meeting referred to was carried out with the methods permitted by Law Decree no. 18/2020, which introduced some exceptional rules linked to the COVID-19 emergency applicable to the shareholders'

meetings of listed companies and, specifically, were held exclusively through remote attendance using telecommunications means and without prejudice to the possibility of remote voting; attendance and voting at the shareholders' meeting was achieved through the designated representative appointed pursuant to article 135-undecies of the CLF, identified as Computershare S.p.A..

On 4 October 2022, the shareholders' meeting was held to appoint the new Board of Directors following changes in the ownership structure (see Section 4.2 of this Report); the meeting also resolved on certain amendments to the Remuneration Policy 2022 and, in extraordinary session, approved amendments to the company's Bylaws aimed at allowing meetings to be held, where permitted by current laws and regulations, by remote attendance. Six directors attended the meeting on 4 October.

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

#### **14. FURTHER CORPORATE GOVERNANCE PRACTICES**

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

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

#### **15. CHANGES SINCE THE END OF THE REFERENCE YEAR**

Nothing to indicate.

#### **16. CONSIDERATIONS ON THE LETTER OF 25 JANUARY 2023 FROM THE CHAIRMAN OF THE ITALIAN CORPORATE GOVERNANCE COMMITTEE**

The letter from the Chairman of the Corporate Governance Committee and the annual report were made available on 1 February 2023 to the Chairmen of the Board of Directors and the Board of Statutory Auditors, and the Chairmen of the Board Committees; these documents were also made available to the Board of Directors on 2 March 2023. With a view to the Board's approval of this Report, the letter was reviewed by the Control and Risk Committee (which in INWIT is also responsible for monitoring with regard to best practices in governance) and the Board of Statutory Auditors, as well as the Sustainability and Nomination and Remuneration Committees. At its meeting on 28 February 2023, the Control and Risk Committee examined this Report (in the light of the "Format" published by Borsa Italiana in January 2022) on which it issued a favourable opinion.

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

- In relation to the dialogue with shareholders and other relevant stakeholders, it should be noted that, on 13 May 2021, INWIT's Board of Directors approved the Stakeholder Engagement Management Policy as a tool for improving management of its relations with stakeholders, including shareholders and investors. The Policy defines the methods of stakeholder engagement and aims to strengthen the level of transparency and dialogue between Investors and issuers, promoted by current regulations and best practices, as a functional tool to encourage the creation of value in the long term and promote the company's sustainable success.
- Please see Section 1 "Issuer Profile" for a description of the methods and initiatives for dialogue with stakeholders.
- The Chairman of the Board of Directors in office as at the date of this Report does not have management powers; likewise, the Chairman who held such office until 4 October 2022.
- On the pre-meeting briefing and operational instruction adopted by INWIT, please refer to Section 4.4 of this Report.
- With reference to the participation of managers in Board meetings, the Company has adopted both the regulations on the functioning of the Board of Directors and those of the board committees - visible on the Company's website at the link: <https://www.inwit.it/it/governance/sistema-di-governance/regolamenti/> expressly providing that the Company directors in charge of the relevant company departments depending on the subject matter, attend board and/or committee meetings to provide appropriate insights on the items on the agenda.

Managers attended Board meetings, at the request of the Chairman, Chief Executive Officer or General Manager to assist the discussion of specific operations preliminarily reviewed by the relevant board Committees. Periodically, the Head of Investor Relations intervened for a market consensus briefing.

In particular, the heads of the company departments (Marketing & Sales, Real Estate, Technology & Operations, Legal), attended the meetings of the Related Parties Committee, as did the owners of the related party transactions brought to the examination of the aforementioned committee at the time for the issuance of its opinion. On a quarterly basis, in addition, the Head of the Risk & Compliance department reported on the RPTs carried out during the reporting period.

The Head of External Relations Communication & Sustainability attended all the meetings of the Sustainability Committee; the Head of HRO attended all meetings where ESG objectives to be included in management's variable remuneration were examined. Manager-owners of specific activities falling under the Sustainability Plan (Finance, Health, Safety & Environment, Risk & Compliance, Marketing & Sales) were also invited to attend.

The HRO manager attended all the meetings of the Nomination and Remuneration Committee.

The Chief Financial Officer and/or the Director responsible and Head of Financial Reporting & Accounting attended all the meetings of the Control and Risk Committee when reviewing the results for the period.

Periodic meetings were held with both the Head of Risk & Compliance and the ERM contact person for the

review of the ERM 2022 cycle and quarterly updates of the same, as well as with the Head of Internal Audit on the occasion of the proposal of the Annual Audit Plan and the monitoring thereof and the presentation of the half-yearly assessment by the same on the System of Internal Control and Risk Management (SCIGR). The Head of External Relation Communication & Sustainability attended the CRC meetings on the occasion of review of the Integrated Report/Non-Financial Statement and the Head of HRO attended on the occasion of the selection process of the new Head of Internal Audit and the remuneration of the same.

- On the occasion of the appointment of the Administrative Body by the Shareholders' Meeting of 4 October 2022, the Board of Directors did not express an opinion on the optimal composition of the same, taking into account that the renewal took place in advance of the natural expiry of the mandate following of a different ownership structure.
- The self-assessment carried out with reference to the 2021 financial year, which was the second year of the mandate, did not contemplate specific suggestions on the qualitative and quantitative aspects of the Board of Directors
- The Company is already in line with the recommendations of the Corporate Governance Committee regarding the definition of quantitative parameters and qualitative criteria for assessing the significance of any business, financial or professional relationships and any additional remuneration that may compromise a director's independence. On 29 July 2021, the Board of Directors approved the quantitative-qualitative criteria for assessing the significance of relationships that may compromise the independence of directors. The same criteria are applied to Statutory Auditors. See paragraph 4.7 of this report for more details.
- the Company is already in line with the recommendations of the Corporate Governance Committee regarding how the CEO's remuneration policy is represented; in fact, starting with the Remuneration Policy approved by the Shareholders' Meeting of 20 April 2021, INWIT introduced an executive summary in table form showing the weight of fixed and variable components, short- and long-term with respect to overall remuneration. This outline was also maintained in the subsequent Remuneration Policy Reports, approved on 6 April 2022 and 4 October 2022.
- The Company is already in line with the recommendations of the Corporate Governance Committee regarding the provision of a long-term variable component of remuneration (LTI) linked to strategic objectives, consistent with the Business Plan. Specifically, a first LTI Plan was launched in 2018 covering the three-year period 2018-2020, reserved for the Chief Executive Officer and those reporting directly to him /her. A new LTI Plan was approved in 2020 for the period 2020-2024 with a "rolling" structure, i.e., launching 3 three-year incentive cycles in 2020, 2021, and 2022. The plans involved all corporate management.
- The Remuneration Report indicates the sustainability goals to be achieved, consistent with the targets set in the Sustainability Plan, which is integrated into the industrial strategy.

**TABLE 1: INFORMATION ON SHARE OWNERSHIP AT 31 DECEMBER 2022**

<b>SHARE CAPITAL STRUCTURE</b>				
	No. shares	No. voting rights.	Listed (indicate markets) / non listed	Rights and obligations
<b>Ordinary shares</b>  (It should be noted that the possibility of increasing voting rights is not envisaged)	960,200,000	960,200,000	Listed on Borsa Italiana S.p.A.	Voting rights at Ordinary and Extraordinary Meetings
<ul style="list-style-type: none"> <li>• Savings shares</li> <li>• Convertible savings shares</li> <li>• Preference shares</li> <li>• Multiple-voting shares</li> <li>• Other categories of shares without voting rights</li> </ul>	Not applicable	=	=.	=

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

<b>MAJOR HOLDINGS IN SHARE CAPITAL</b>			
<b>Declarant or party at the top of the chain of holdings</b>	Direct shareholder	% of ordinary capital	% of voting capital
<b>VODAFONE GROUP PLC</b>	Central Tower Holding Company B.V.	33.2%	33.2%
<b>IMPULSE II SARL</b>	Daphne 3 S.p.A IMPULSE I Sarl	30.2% 0.99%	30.2% 0.99%

Indicate in full the main positions held by the Directors in companies other than INWIT S.p.A.

<b>Oscar Cicchetti</b>	Chief Executive Officer di Impulse I e Daphne 3 S.p.A.; Board member of Adamo Telecom Iberia S.A.U.
<b>Stefania Bariatti</b>	Board member of A2A S.p.A.; BNL S.p.A. e MFE Media For Europe N.V.
<b>Laura Cavatorta</b>	Board member of Snam S.p.A. e Unieuro S.p.A.
<b>Antonio Corda</b>	Board member of Vodafone Italia S.p.A.
<b>Pietro Guindani</b>	Board member of ENI S.p.A. e di Vodafone Italia S.p.A.
<b>Christine Roseau Landrevot</b>	Chief executive officer C di Land consulting e Opale; Board member of Arteria
<b>Quentin Le Cloarec</b>	Board member of Aéroports de Lyon SA; ADL Participations SAS; Atlandes SA; Tunels de Barcelona i Cadi SA; Suzie Investissement (Groupe OCEA) SAS Luxembourg Investment Company 296 (Groupe OCEA) Sarl; ELL HoldCo (European Locomotive Leasing) Sarl; Cirrus SCA (Groupe DATA 4) SCA Vaugirard Italia (Edison Renewables) Srl; Edison Renewables S.p.A. Ordesea Servicios Empresariales (Eolia) S.L.; Impulse I; Daphne 3 S.p.A. CLH / Exolum; Eolia Renovables de Inversion SA; LNG Dunkerque SAS Pisto Group Infra SAS
<b>Rosario Mazza</b>	Board member of Sea S.p.A.; 2i Aeroporti S.p.A.; Ardian Italy S.r.l. ; Nuova Argo Finanziaria S.p.A.; Daphne 3 S.p.A.
<b>Secondina Giulia Ravera</b>	Board member of A2A S.p.A.; Replay S.p.A.; Polo del Gusto S.r.L.
<b>Francesco Valsecchi</b>	Board member of Anima Holding S.p.A.; SPA.PI S.p.A.; Luisa Spagnoli S.p.A.

**TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AT THE END OF THE FINANCIAL YEAR**

Role	Members	Year of birth	Date of first appointment *	Serving since	Serving until	Slate ** No slate submitted by the BoD	Exec.	Non exec.	Independ. Code	Independ. CLF	Number other offices ***	Attendance ****
Chairman	Oscar <b>CICCHETTI</b>	1951	04/10/2022	04/10/2022	31/12/2024	M		X				6/6
Director	Stefania <b>BARIATTI</b>	1956	04/10/2022	04/10/2022	31/12/2024	M			X	X		6/6
Director	Laura <b>CAVATORTA</b>	1964	13/04/2018	04/10/2022	31/12/2024	m			X	X		18/18
Director	Antonio <b>CORDA</b>	1973	31/03/2020	04/10/2022	31/12/2024	M		X				18/18
Director	Pietro <b>GUINDANI</b>	1958	05/05/2022	04/10/2022	31/12/2024	M		X				13/14
Director	Sonia <b>HERNANDEZ</b>	1973	31/03/2020	04/10/2022	31/12/2024	M		X				15/18
Director	Christine <b>ROSEAU LANDREVOT</b>	1961	04/10/2022	04/10/2022	31/12/2024	M			X	X		5/6
Director	Quentin <b>LE CLOAREC</b>	1991	04/10/2022	04/10/2022	31/12/2024	M				X		4/6
Director	Rosario <b>MAZZA</b>	1983	02/10/2021	04/10/2022	31/12/2024	M		X				18/18
Director	Secondina Giulia <b>RAVERA</b>	1966	13/04/2018	04/10/2022	31/12/2024	m			X	X		18/18
Director (Lead independent Director)	Francesco <b>VALSECCHI</b>	1964	31/03/2020	04/10/2022	31/12/2024	m			X	X		18/18

In 2022 the Board of Directors held 18 meetings – the quorum required for the presentation of slates by minorities for the election of one or more members is 1%. The General Manager, not a director, is responsible for the internal control and risk management system (see paragraph 9.1).

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

(\*\*) This column indicates whether the slate from which each director has been drawn is "majority" (indicating "M") or "minority" (indicating "m").

(\*\*\*) This column shows the number of directorships or statutory auditor appointments held by the person concerned in other listed or large companies. The appointments are set out in full in the Corporate Governance Report. See table at page 65.

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

**TABLE 2: DIRECTORS WHO RESIGNED IN THE YEAR 2022**

Role	Members	Year of birth	Date of first appointment *	Serving since	Serving until	Slate ** No slate submitted by the BoD	Exec.	Non exec.	Independ Code	Independ CLF	Number other offices ***	Attendance ****
<b>Chairman</b>	Emanuele <b>TOURNON</b>	1960	31/03/2020	31/03/2020	04/10/2022	M		X			-	12/12
<b>Chief Executive Officer</b> □	Giovanni <b>FERIGO</b>	1959	13/04/2018	13/04/2018	04/10/2022	M	X				-	12/12
<b>Director</b>	Giovanna <b>BELLEZZA</b>	1968	02/10/2020	02/10/2020	04/10/2022	M		X				11/12
<b>Director</b>	Angela Maria <b>COSSELLU</b>	1963	23/04/2020	23/04/2020	04/10/2022	M			X	X	1	11/12
<b>Director</b>	Sabrina <b>DI BARTOLOMEO</b>	1971	31/03/2020	31/03/2020	04/10/2022	M		X				11/12
<b>Director</b>	Agostino <b>NUZZOLO</b>	1968	20/04/2017	20/04/2017	04/10/2022	M		X				10/12
<b>Director</b>	Fabrizio <b>ROCCHIO</b>	1964	31/03/2020	31/03/2020	05/05/2022	M		X				4/4

**TABLE 3: STRUCTURE OF BOARD COMMITTEES AT THE END OF THE FINANCIAL YEAR**

Board of Directors		Related Parties Committee		Control and Risk Committee		Nomination and Remuneration Committee		Sustainability Committee	
Office/Qualification	Members	(*)	(**)	(*)	(**)	(*)	(**)	(*)	(**)
Director independent as per CLF and Code	Laura <b>Cavatorta</b>					M	13/13	C	7/7
Non-Executive Director	<b>Sonia Hernandez</b>							M	2/2
Director independent as per CLF and Code	Rosario <b>Mazza</b>	M	7/7			M	11/11		
Director independent as per CLF and Code	Secondina Giulia <b>Ravera</b>	C	8/8	M	11/11	M	2/2		
Director independent as per CLF and Code	Francesco <b>Valsecchi</b>			M	11/11	M	3/3	M	5/5
Director independent as per CLF and Code	Stefania <b>Bariatti</b>	M	1/1	C	2/2				
Director independent as per CLF	Quentin <b>Le Cloarec</b>			M	1/2				
Non-Executive Director	Pietro <b>Guindani</b>			M	2/2	M	3/3		
Director independent as per CLF and Code	Christine <b>Roseau Landrevot</b>	M	1/1			C	3/3		
Non-Executive Director	Oscar <b>Cicchetti</b>							M	2/2
<b>DIRECTORS WHO RESIGNED IN THE YEAR 2022</b>									
Mr Corda, in office at the end of the financial year, was a member of the Nomination and Remuneration Committee and of the Control and Risk Committee up to 4.10.2022									
Director independent as per CLF and Code	Angela Maria <b>Cossellu</b>	M	7/7	C	9/9				
Non-Executive Director	Fabrizio <b>Rocchio</b>							M	3/3
Non-Executive Director	Agostino <b>Nuzzolo</b>			M	1/9				
Non-Executive Director	Sabrina <b>Di Bartolomeo</b>							M	3/5
Non-Executive Director	Giovanna <b>Bellezza</b>							M	5/5
Non-Executive Director	Antonio <b>Corda</b>			M	8/9	M	9/10		
<b>No. meetings held during financial year 2022</b>	<b>RPC 8 MEETINGS; CRC 11 MEETINGS; NRC 13 MEETINGS; SUSTAINABILITY COMMITTEE 7 MEETINGS</b>								

NOTES: (\*) This column shows the status of the Director within the committee: "C": chairman, "M": member. (\*\*) This column shows the attendance of the directors respectively at the committee meetings (the number of meetings attended is indicated with respect to the total number of meetings he/she could have attended; such as 6/8; 8/8, etc.).

**TABLE 4: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS AT THE END OF THE FINANCIAL YEAR**

**Board of Statutory Auditors**

Position	Members	Year of Birth	Date of first appointment *	Serving since	Serving until	Slate **	Independence as per Civil Code	Attendance at Board meetings***	Number of other offices ****
Chairman	Stefano SARUBBI	1965	13/04/2018	13/04/2018	31/12/2023	m	X	24 / 24	13
Standing auditor	Maria Teresa BIANCHI	1969	20/04/2021	20/04/2021	31/12/2023	M	X	23/24	4
Standing auditor	Giuliano FOGLIA	1968	20/04/2021	20/04/2021	31/12/2023	M	X	24/24	9
Alternate Auditor	Michela ZEME	1969	14/01/2015	20/04/2021	31/12/2023	M	X	=	=
Alternate Auditor	Roberto CASSADER	1965	13/04/2018	20/04/2021	31/12/2023	m	X	=	=

**Number of meetings held during the reference year: 24 – Quorum required to submit slates at last appointment: 1%**

**NOTES**

- \* Date of first appointment of each statutory auditor means the date on which the statutory auditor was appointed for the first time (overall) to the Board of Statutory Auditors of the issuer.
- \*\* This column indicates the slate from which each statutory auditor was chosen (“M”: majority slate; “m”: minority slate).
- \*\*\* This column shows the attendance of the auditors at the Board of Statutory Auditors meetings (the number of meetings attended is indicated with respect to the total number of meetings he/she could have attended).
- \*\*\*\* This column indicates the number of offices as director or statutory auditor held by the person concerned, considered significant pursuant to Article 148-*bis* of the CLF and the relative implementing provisions contained in the Consob Issuer Regulations. The complete list of offices held is published by Consob on its website, pursuant to article 144-*quinquiesdecies* of the Consob Issuer Regulations.