



INWIT S.p.A. Internal Control and Audit Committee Recommendation for granting the external audit appointment for the period 2024-2032, pursuant to art. 16 of European Regulation No. 537/2014 of the European Parliament and of the Council of 16 April 2014 and Legislative Decree No. 39 of 27 January 2010

INTRODUCTION

With the approval of the financial statements as at 31 December 2023 of Infrastrutture Wireless Italiane S.p.A. ("INWIT" or the "Company"), the appointment for the external audit for the period 2015 - 2023 granted by the Shareholders' Meeting of INWIT S.p.A. on 27 February 2015 to the auditing firm PricewaterhouseCoopers S.p.A. ("PWC") will expire.

As a company listed on a regulated market INWIT falls within the category of Public Interest Entities and therefore initiated the process of granting the external audit appointment for the nine-year period 2024-2032 ("Appointment"), pursuant to EU Regulation 537/2014 ("European Regulation") and Legislative Decree 27 January 2010 no. 39. It did so, under the supervision of the Board of Statutory Auditors (in its capacity as the Internal Control and Audit Committee, pursuant to art. 19 subsection 1 letter f) of Legislative Decree no. 39/2010) in March 2023, in advance of the expiry of PWC's mandate. This enabled it to monitor compliance with the principle of independence and, in particular the ban envisaged by the relative legislation, of receiving from the auditor, in the 12 months prior to the start of the period audited, 'Design and implementation of internal control and risk management procedures relating to the preparation and/or control of financial reporting, or the design and implementation of technological systems for financial reporting' services.

With the consent of the Board of Statutory Auditors, the Company:

- identified the quantitative and qualitative evaluation criteria for the selection of the auditing firm;
- prepared a tender document (divided into a technical section and a financial section);

- invited a number of auditing firms to submit their proposals.

Subsequently, the proposals received were examined, meetings with representatives of all the auditing firms were held, and a summary of the technical and financial evaluation of the proposals received was drawn up.

These activities led to the submission by the Board of Statutory Auditors of this Recommendation for granting the Appointment ("Recommendation"), prepared pursuant to art. 16 of the European Regulation and Legislative Decree no. 39 of 27 January 2010.

The following are outlined below:

- the subject of the Appointment;
- the stages of the selection process of the new auditor and the related criteria;
- the evaluation of the offers;
- the conclusions of the Board of Statutory Auditors.

1. SUBJECT OF THE APPOINTMENT

The Auditor of the selected company will be given the following tasks ("Audit appointment"):

- external audit of the financial statements, including verification that the Company's accounts are properly kept and that the operations are correctly recorded in the accounting records;
- signing of the Company's tax returns;
- limited audit of the Company's half-yearly condensed financial statements;
- external audit of the consolidated annual and half-year financial statements;
- "Limited assurance" of the "Non-financial Statement" pursuant to Legislative Decree 254/2016 implementing Directive 2014/95/EU amending Directive 2013/34/EU with regard to the disclosure of non-financial information.

2. SELECTION PROCESS OF THE NEW AUDITOR

The selection process to choose the new auditor ("Auditor") was coordinated by INWIT's Chief Financial Officer ("CFO") and the Executive responsible for preparing the corporate accounting documents ("Executive Responsible"), under the supervision of the Board of Statutory Auditors. A summary of the evaluation process of the proposals submitted by the

auditors and the conclusions of the selection process, carried out on the basis of pre-defined technical-qualitative and financial parameters, is provided below.

The Company prepared the tender documents, mainly consisting of an exhaustive description of the business carried out by INWIT, the type of external audit to be performed and the selection methods and criteria used to evaluate the proposals submitted by the auditing firms invited.

The selection process consisted of the following phases:

Phase 1 - Pre-selection: six auditing firms which met the defined selection criteria were initially chosen (BDO ITALIA S.p.A., Crowe Bompani S.p.A., Deloitte & Touche S.p.A. ("Deloitte"), EY S.p.A. ("EY"), KPMG S.p.A. ("KPMG"), RIA GRANT THORNTON S.p.A.) and were invited to express their interest in participating in the selection.

The selection criteria were based on the following objective, non-discriminatory and transparent parameters, to be considered simultaneously met:

- experience in auditing companies with a similar turnover; experience in auditing companies operating in the same sectors as the Company (Technology, Media and Telecommunication Sector);
- experience in auditing companies listed on the main markets;
- no current appointments for services prohibited during the so-called cooling-in period.

On 28 March 2023, Deloitte communicated the presence of appointments which, following the independence checks, would have entailed a situation of incompatibility with a possible external audit appointment, and the temporary suspension of the former for the purposes of participation in the tender, as well as its willingness to mutually terminate the aforesaid contracts in order to eliminate the causes of incompatibility. Following this communication, in light of the assessments carried out in terms of the continuity of existing services, the possible disruption following replacement of the provider, and assessments of such not being financially worthwhile, on 18 April 2023 INWIT informed Deloitte that it did not wish to proceed with the termination of the current assignments, with the consequent exclusion of Deloitte from participation in the tender for assigning the external audit appointment. None

of the other companies identified had 'obstructive' appointments and/or other incompatibilities for participation in the tender.

The following companies were therefore formally admitted to the tender:

- BDO ITALIA S.p.A.
- Crowe Bompani S.p.A.
- EY S.p.A. ("EY")
- KPMG S.p.A. ("KPMG"),
- RIA GRANT THORNTON S.p.A.

Phase 2 - Selection: the selection was carried out via an online competitive procedure using a dedicated IT platform that allowed management and tracking of all the correspondence and documents exchanged with the participant auditing firms.

As regards the selection criteria, the technical-qualitative aspects were given an overall weight of 75/100 (with a minimum access threshold of 40) divided as follows:

I. Experience and activities carried out by the auditing firm for companies operating in the Technology, Media and Telecommunication sector and for listed companies in Italy and/or abroad (appointments accruing over the last 6 years in companies listed in the FTSE MIB and/or in the STOXX Europe 600 and in the Technology, Media and Telecommunication sector both in Italy and abroad);

II. Any sanctions imposed by Consob and/or other European regulators in the last 6 years in relation to appointments carried out in the primary market;

III. Experience in the field of non-financial reporting and other objectively determinable qualitative elements (i.e. participation in committees/commissions, work on definition of reporting standards, GRI standards, etc.);

IV. Assigned audit team, with inclusion of the relevant curricula vitae of the partners and senior members of the audit teams dedicated to the company (experience in the Technology, Media and Telecommunication sector, in international accounting standards, auditing of financial statements of corporate groups, extraordinary transactions, and national taxation);

V. Innovative methodologies and tools supporting the auditing procedures.

As regards the financial aspects of the proposal (to which an overall weight of 25/100 was attributed), the quantitative evaluation was carried out on the basis of the financial offer, divided as follows:

- Quotation for audit activities covered by the appointment: weight 20
- Quotation for any further, non-prohibited appointments: weight 5

3. EVALUATION OF THE OFFERS

All offers were received by the deadline set forth in the tender regulations and were explained by the individual auditing firms selected, during meetings held on 8 June 2023, attended not only by the CFO and the Executive Responsible, but also by the Board of Statutory Auditors.

The technical offers received were analysed, on 19 June 2023, by the Board of Statutory Auditors, INWIT's CFO and Executive Responsible, who, on the basis of the scoring model provided, considered EY and KPMG suitable for the appointment, alternatively, given their organisation, experience, proposed operating approach and ability to manage the audit process. Conversely, despite the quality of the offers prepared, the companies BDO, Crowe Bompani and RIA Grant Thornton were considered not to have experience, organisation, procedures and operational tools comparable to those of the first two and/or in any case such as to enable them to achieve the minimum technical-qualitative qualification score set.

At the conclusion of the technical evaluation process (19 June 2023), the two short-listed companies were therefore requested to proceed with the submission of the final financial offer, which was received from both on 23 June 2023.

Annexes 1 and 2 contain a summary of the proposals received for both short-listed companies.

Having acknowledged the further feedback received, including in response to some requests for clarification, the final offers received were analysed by INWIT'S CFO and Executive Responsible, jointly with the Board of Statutory Auditors. Once the evaluation was completed, the participating auditing firms were notified of the results of the selection, indicating to the first two ranked companies the need to continue to ensure compliance

with the prohibition on performing the prohibited services in the so-called cooling-in period.

Based on the evaluation of the technical-qualitative and financial aspects described above, and considering the results of the selection process resulting from the comparative and overall analysis of the proposals received, with particular attention firstly to the technical-qualitative aspects (weight 75, with a minimum score of 40) and secondly to the financial aspects (weight 25), the tender results determined the following ranking:

1. KPMG
2. EY

4. CONCLUSIONS OF THE BOARD OF STATUTORY AUDITORS

In light of the above, the Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee, in relation to the appointment for the external audit of INWIT S.p.A.'s accounts for the nine-year period 2024-2032,

- on the basis of the selection procedure, the offers received, the evaluations made and the outcome of the same,
- considering that art. 16 of European Regulation No. 537/2014 provides that the Reasoned Recommendation to the Board of Directors and to the Shareholders' Meeting must contain at least two possible appointment alternatives and requires the expression of a duly justified preference for one, by unanimous vote of its members, INWIT's Board of Statutory Auditors, in its capacity as the Internal Control and Audit Committee,

RECOMMENDS

to INWIT S.p.A.'s Board of Directors and Shareholders' Meeting, pursuant to art. 16 of European Regulation no. 537/2014 as well as Legislative Decree no. 39/2010, alternatively, the two offers related to the mandate for the external audit of INWIT S.p.A.'s accounts for the nine-year period 2024-2032, formulated by KPMG S.p.A. and EY S.p.A.

AND EXPRESSES ITS PREFERENCE

for the proposal formulated by **KPMG S.p.A.**, since characterised by a higher overall score, both as regards the qualitative and financial aspects. The Board of Statutory Auditors, in compliance with art. 16, subsection 2 of European Regulation No. 537/2014, declares that this

recommendation has not been influenced by third parties and that none of the clauses of the type referred to in paragraph 6 of the aforementioned art. 16 of the European Regulation has been applied.

Milan, 28th February 2024

The Board of Statutory Auditors

Mr Stefano Sarubbi	Chairman
Ms Maria Teresa Bianchi	Standing Auditor
Mr Giuliano Foglia	Standing Auditor

ANNEX 1 – Summary Proposal KPMG S.p.A.

	Item	Audit Activities (AA)	cost	
Weight	AA	80%		
		External audit of the financial statements, including verification that the Company's accounts are properly kept and that the operations are correctly recorded in the accounting records;	€236,000.00	
		Signing of the Company's tax returns	€2,000.00	
		Limited audit of the Company's half-yearly condensed financial statements;	€41,000.00	
		"Limited assurance" of the "Non-financial Statement" pursuant to Legislative Decree 254/2016 implementing Directive 2014/95/EU amending Directive 2013/34/EU with regard to the disclosure of non-financial information.	€18,000.00	
	AA	Total AA- Annual fee	€297,000.00	

	Item	Non-Prohibited Activities (NPA)	cost	
Weight	NPA	20%		
		Quotation for activities aimed at issuing comfort letters;	€36,000.00	
		<i>Issuing comfort letters in connection with new bond issues</i>	€36,000.00	
		<i>Issuing comfort letters in connection with programme updates</i>	€18,000.00	
		external audit of the consolidated annual and half-year financial statements based on the following ranges of sales and service revenues:	€21,800.00	
		5mln	€13,500.00	
		25mln	€18,000.00	
		50 mln	€21,000.00	
		100 mln	€25,000.00	
		>100 mln	€31,500.00	
		supplementary activities where significant for any revisions of accounting standards and/or arising from the introduction of new auditing standards. Quotation of fees as a % ceiling of external audit fees	€23,600.00	10%
		Total NPA	€81,400.00	

	TC	Quotation of fees as a % upper limit of the total amount of the tax credit (up to €500,000)	2%
		Quotation of fees as % upper limit of the total amount of the tax credit (over €500,000)	1%

ANNEX 2 – SUMMARY PROPOSAL EY S.p.A.

	Item	Audit Activities (AA)	cost	
Weight	AA	80%		
		External audit of the financial statements, including verification that the Company's accounts are properly kept and that the operations are correctly recorded in the accounting records;	€248,000.00	
		Signing of the Company's tax returns	€2,000.00	
		Limited audit of the Company's half-yearly condensed financial statements;	€50,000.00	
		"Limited assurance" of the "Non-financial Statement" pursuant to Legislative Decree 254/2016 implementing Directive 2014/95/EU amending Directive 2013/34/EU with regard to the disclosure of non-financial information.	€20,000.00	
	AA	Total AA- Annual fee	€320,000.00	

	Item	Non-Prohibited Activities (NPA)	cost	
Weight	NPA	20%		
		Quotation for activities aimed at issuing comfort letters;	€41,000.00	
		external audit of the consolidated annual and half-year financial statements based on the following ranges of sales and service revenues:	€37,600.00	
		5mln	€21,000.00	
		25mln	€28,000.00	
		50 mln	€34,000.00	
		100 mln	€47,000.00	
		>100 mln	€58,000.00	
		supplementary activities where significant for any revisions of accounting standards and/or arising from the introduction of new auditing standards. Quotation of fees as a % ceiling of external audit fees	€24,800.00	10%
		Total NPA	€103,400.00	

	TC	Quotation of fees as % ceiling of the total amount of the tax credit;		10%
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