



REMUNERATION REPORT

**Prepared pursuant to article 123-ter of Legislative Decree no. 58 of
24 February 1998**

(This report was approved by the Board of Directors on 9 March 2017)

Rai Way S.p.A.

Registered office Via Teulada 66, Rome, Italy

Tax code, VAT number and registration number with the Rome Registrar of Companies: 05820021003

Fully paid-up share capital: Euro 70.176.000,00

Company subject to the management and coordination of RAI - Radiotelevisione italiana S.p.A.

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Letter from the Chairman of the Remuneration and Appointments Committee

Dear Shareholders,

Together with Directors Joyce Victoria Bigio and Fabio Colasanti, as Chairman of the Remuneration and Appointments Committee of Rai Way, which I have the honour of holding, I am very pleased to present the Remuneration Report for 2017 as a tool for communicating and sharing the compensation systems adopted by the Company in order to strengthen the commitment of Directors and Key Managers and to “*attract, retain and motivate individuals with the professional qualities required to successfully manage*” the Company (Corporate Governance Code, principle 6.P.1).

The Committee’s work over the last year focused on continuously monitoring the tools, and their related effectiveness, for implementing the 2016 remuneration policy and defining the guidelines for 2017, with the aim of increasing the alignment of the overall system with best market practices and our investors’ expectations, as well as providing incentives to management to exceed the targets for each year in the 2015-2019 Business Plan. To confirm the effectiveness of the remuneration policies adopted, Rai Way, since its listing on the stock exchange, has constantly created value for its shareholders, outperforming the reference market.

Rewarding merit and transparency, aligning the management’s activities with shareholders’ interests, being competitive with best market practices in the reference framework of consistency and fairness of the corporate organisational plan, as well as compliance with the legislative and regulatory context, are the key principles of Rai Way’s remuneration policy, set for 2017 on objectives that serve to exceed the strategic objectives described in the Business Plan.

In this context, the Board of Directors and the Remuneration and Appointments Committee have defined the Remuneration Policy for 2017 with the aim of further strengthening and developing it from the remuneration system for the previous year, with some clarifications designed to ensure its best functioning, also in light of the recent company reorganisation that took place at the end of 2016.

Once again this year, a solid and transparent remuneration policy will help us achieve our objectives, ensuring that our personnel and our shareholders continue to be valued for their contributions and investments.

On behalf of the other members of the Committee, I would like to thank you for your attention to this Report and for your agreement with the 2017 policies defined herein.

Anna Gatti

Chairman of the Remuneration and Appointments Committee

SECTION I – REMUNERATION POLICY FOR 2017

INTRODUCTION

Key elements of the Remuneration Policy for 2017

In accordance with governing regulations, in its first section this Remuneration Report sets out the remuneration policy adopted by Rai Way S.p.A. (“**Rai Way**” or the “**Company**”) for 2017 for members of corporate bodies (Board of Directors and Board of Statutory Auditors) and for Key Managers, who include Senior Management (the Chief Executive Officer, the General Manager, the Chief Human Resources Officer, the Chief Financial Officer, and the Manager in charge of preparing the corporate accounting documents) and other managerial positions ⁽¹⁾. Generally, the Remuneration Policy for 2017, defined with the aim of further strengthening and developing the key principles that inspired the remuneration system applicable to 2016, is designed to reflect and provide incentives for achieving and exceeding Rai Way’s business objectives and providing sustainable growth, seeking to align management’s interests with the generation of value for shareholders within a reference framework of consistency and fairness at a corporate organisational level, the enhancement of merit in terms of rewarding the achieved results and qualitative performance – in line with the challenges and opportunities set out for the current year in the Business Plan approved on 28 September 2015 – and competitiveness with respect to best market practices.

The recent business reorganisation at the end of 2016 was also considered in drafting the Remuneration Policy for 2017. Following this reorganisation, certain changes have been made to the scope of the Key Managers (referred to in the section, “*Principles and Guidelines of the Remuneration Policy*”), without prejudice to the possibility that the Board of Directors, upon the proposal of the Remuneration and Appointments Committee - may identify additional Key Managers in line with the final organisational changes and possibly in consideration of the plan to enhance managerial talent that the Company intends to implement during 2017.

Translating this to an operational level and comparing it to 2016, the Remuneration Policy is characterised by the consolidation of the short-term Management by Objectives (MBO) variable system, with certain modifications designed to ensure its best functioning and appreciation by the market, including in light of the aforementioned reorganisation, in particular as part of a greater development of competitiveness. Changes to the 2016 financial policy are highlighted in this document.

The Company may decide to implement a long-term incentive plan to be reserved for Key Managers and possibly other individuals linked to objectives included in the 2015-2019 Business Plan approved on 28 September 2015 and designed to reward the achievement of long-term objectives to generate value and sustainable growth,

(1) Key Managers are defined as “persons having the power and responsibility, directly or indirectly, to plan, manage and control a company’s activities, including the directors (executive and non-executive) and statutory auditors of that company”.

consistent with the interests of Shareholders, as well as to retain key personnel. This component of remuneration, where implemented and without altering the need to create a structure suitable for ensuring an adequate balance between the fixed and variable components of total remuneration, may take monetary form or may also be based on financial instruments (in this case, a Shareholders' Meeting must be called for approval, based on the requirements of applicable laws and regulations), allowing the beneficiaries to participate even further in the effective creation of the Company's value.

For completeness this section also refers to the remuneration of the standing members of the Board of Statutory Auditors.

COMPLIANCE OF PERSONS INVOLVED IN THE REMUNERATION PROCESS

The Remuneration Policy, established in accordance with the requirements of law and the Company's bylaws, in addition to in consideration of the requirements of the Corporate Governance Code for listed companies as adopted by the Company (the "**Corporate Governance Code**"), is approved by the Board of Directors on the proposal of the Remuneration and Appointments Committee and submitted to a non-binding vote of the Ordinary Shareholders' Meeting.

Pursuant to Rai Way's bylaws, the Board is due an annual fee, fixed and/or variable, that is approved by an Ordinary Shareholders' Meeting and remains unchanged until such time as the Meeting may approve a different resolution. The Board of Directors' fee approved by the Shareholders' Meeting is allocated to the individual members on the basis of a board resolution. Directors are entitled to receive reimbursement for any expenses they may incur for performing their duties.

For purposes of determining the total remuneration due to the Board, the Shareholders' Meeting may consider fees for participation in Board committees.

In addition, after receiving the opinion of the Board of Statutory Auditors, the Board of Directors may also establish the remuneration of the positions of Chairman of the Board of Directors, Vice Chairman, Chief Executive Officer and, in general, directors assigned special duties, in accordance with article 2389 (3) of the Italian Civil Code.

On the proposal of the Remuneration and Appointments Committee, and with the support of the Company's Chief Human Resources Officer, the Board of Directors establishes the Remuneration Policy for Directors – including the Chairman and, where appointed, the Vice Chairman – the Chief Executive Officer and other Key Managers. The remuneration policy is then submitted to a non-binding vote of the Ordinary Shareholders' Meeting pursuant to article 123-ter (6) of Legislative Decree no. 58 of 24 February 1998 (hereafter also the "**TUF**").

The Shareholders' Meeting establishes the compensation of the members of the Board of Statutory Auditors. In addition, statutory Auditors are also entitled to receive reimbursement for any expenses they may incur for performing their duties.

REMUNERATION AND APPOINTMENTS COMMITTEE

Rai Way's Board of Directors has set up a Remuneration and Appointments Committee within the Board having duties of an enquiry, advisory and propositional nature with respect to the Board.

As a general rule, the Remuneration and Appointments Committee performs all the duties assigned to it by the Corporate Governance Code, and in particular, as far as remuneration is concerned, it:

- draws up proposals for submission to the Board for establishing a general policy for the remuneration of the Chief Executive Officer, the General Manager and other Key Managers in order that the Board may prepare the Remuneration Report required by article 123-ter of the TUF for presentation to the Shareholders' Meeting on an annual basis;
- regularly assesses the adequacy, overall consistency and application in practice of the general policy on remuneration approved by the Board;
- draws up proposals for submission to the Board concerning the total remuneration of the Chief Executive Officer, the General Manager and other Key Managers, and regarding the determination of the criteria to be used in setting the remuneration of the Company's senior management, including the relative performance objectives linked to the variable component of that remuneration;
- ensures that the decisions taken by the Board have been applied and in particular that the performance objectives have actually been achieved;
- reviews any stock or monetary incentive plans intended for the Company's employees and the policies for the strategic development of human resources.

As at the date of this Remuneration Report, the Committee consists of three non-executive directors who are independent (from a legal standpoint and with respect to the Corporate Governance Code):

Anna Gatti (Chairman)
Joyce Victoria Bigio
Fabio Colasanti

Note that the mandate of the current Board of Directors, and consequently the related internal committees, will expire with the approval of the 2016 financial statements.

In performing its duties, the Remuneration and Appointments Committee may avail itself of the services of the Company's various functions as well as those of external consultants, at the Company's expense but within the limits of the budget established on an annual basis by the Board of Directors (currently Euro 50.000). Whenever it intends to use the services of a consultant in order to obtain information on market practice for remuneration policies, the Committee checks in advance that it will not find itself in situations that may impair the independence of any opinion.

The Remuneration and Appointments Committee has performed the envisaged activities relating to the submission of proposals to the Board of Directors concerning the remuneration policy for 2017. As part of its activities, the Remuneration and Appointments Committee availed itself of the technical support of the Company's Chief Human Resources Officer. Key Managers did not attend any of the committee's meetings, or part of such, at which proposals were drawn up regarding their

own specific remuneration. On the basis of internal regulations, Directors may not attend meetings of the Committee, or part of such, at which proposals to be submitted to the Board of Directors regarding their own specific remuneration are to be reviewed and drawn up.

During 2017, the Remuneration and Appointments Committee plans to use the services of the consulting firm Korn Ferry Hay Group (formerly the Hay Group), having checked that its independence has been maintained, in order to structure analyses for assessing the remuneration models in the Company's reference markets, with regard to long-term incentive plans (neither the consulting firm indicated nor any other independent experts were used for drawing up the 2017 Remuneration Policy).

Whenever it considers it appropriate, the Committee may occasionally invite other Company personnel to its meetings, in relation to the business functions and organisations involved in the subjects under discussion, including members of other committees set up within the Board of Directors (as has occurred on certain occasions), or external parties, whose presence is considered useful in assisting the Committee to perform its duties more effectively.

The members of the Remuneration and Appointments Committee receive a fixed annual fee (currently, the Chairman receives Euro 15.000 and the other members of the Committee receive Euro 12.000) and are entitled to receive reimbursement for any expenses they may incur for attending meetings.

PRINCIPLES AND GUIDELINES OF THE REMUNERATION POLICY

The Company's remuneration system for 2017, consolidating the key principles included in the Remuneration Policy adopted for 2016, is tied to the strategy and targets developed for the year in the 2015-2019 Business Plan to ensure convergence on the building of a relationship based on the widest possible transparency, responsibility and protection vis-à-vis the Company's stakeholders.

More specifically, Rai Way's remuneration system is designed to meet the challenge of attracting, incentivising and motivating strategic resources required to provide a critical contribution based on the evolutionary guidelines of the Business Plan involving consolidation of the Company's leadership position, extension of the services provided for the Rai Group, diversification of the service offer and improvement of operating efficiency.

With these as assumptions, Rai Way's Remuneration Policy is structured by using the following key factors as its pillars:

- **selectivity of the beneficiaries and internal consistency** with respect to positions, spheres of responsibility and duties performed;
- **competitiveness** with remuneration levels to be found on the external market, by analysing the policies and practices of a person's principal national and international peers as a means of orienting and informing corporate decisions taken on the matter;
- **correlation with the Company's strategies and principles**, with remuneration for the variable profile:
 - a) linked to evidence of the generation of added value compared to the budgeted levels approved by the Board of Directors and forecasted for 2017, with an emphasis on the challenging profiles inherent in the reference parameters;
 - b) established in accordance with a "pay for performance" criterion by which performance is assessed on the basis of a variety of indicators that consider the various dimensions: economic-financial, competitiveness, internal process efficiency and innovation, as well as social;
- **compliance with the regulatory perimeter and reference to best market practices** (the remuneration policies of specific companies have not, however, been used as a reference for establishing the Company's remuneration policy).

The following provides further detail:

Fixed component

The fixed component reflects the complexity of the role and the level of the position, as well as the distinctive knowledge/skills held, and is such as to attract and motivate management.

The current remuneration positioning for the people to whom the Remuneration Policy applies has been measured by way of benchmarks identified by the consultants Korn Ferry Hay Group and on the basis of the certified methodology adopted by that company. The positioning is expected to be updated in 2017 for consistency and competitiveness, as well as to consider the recent reorganisation, with an orientation of aligning the individual level of remuneration to the median of the reference market and calibrate the steps taken regarding the assessment of performance measures compared to the Company's strategic objectives and the relevant role.

Short-term variable component

With reference to the MBO system, the variable component for 2017 is based on an annual horizon as a means of rewarding the achievement of a combination of qualitative and quantitative objectives, which translate the criteria set out by the Remuneration and Appointments Committee, with the support of the Chief Human Resources Officer. This remuneration system links the incentive to the performance of both the Company – with reference to the expectations of the Business Plan – and the individual, measured in the following terms: economic and financial, development of overall positioning (intended as the Company’s ability to understand and satisfy demand expectations, by providing services suitable for creating value for customers, on the basis of differentiation and infrastructural leadership strategies), greater focus on the business orientation and innovation in processes and competitive services, as well as consideration of the sustainability of corporate strategies.

Additionally, the system’s framework includes compliance elements in its principles, including ethical profiles and compliance with anti-corruption regulations, and provides indicators to assess the performance resulting from the risk management strategy established at a corporate level.

The expected results must be: a) measurable: they must represent precise amounts and not trends; b) challenging: they must translate into an improvement in the expected indicators; c) obtainable in the identified time horizon. The performance indicators that determine the pre-selected operating objectives are established in advance and are based on a measure of the extent to which they are reached. The same measurement factors are used as objective elements that control the progress achieved towards the full achievement of the objectives themselves.

For 2017, the short-term remuneration system continued with the use of the “gate” mechanism for achieving objectives (in line with best market practices) of an economic and financial nature, focused on corporate performance expressed by the budgeted 2017 EBITDA, as opposed to 2016, in which the EBITDA-Maintenance CAPEX was used as the reference value.

The performance of the objectives is monitored during the year, with reference made to trends in the overall results and to checks performed on the parameters identified for each individual role, by the Remuneration and Appointments Committee with the support of the Company’s Chief Human Resources Officer, who provides regular information on these trends at least every four months at meetings held for this purpose. The Remuneration and Appointments Committee expresses an opinion to the extent of its competence, providing any recommendations.

The effective Funding Pool (the amount of funds to be dedicated to the MBO system) is created during the year following that in question after verification to determine the extent to which the resolved objectives have been achieved and after the approval of the financial statements, and is in any case subject to actually achieving the pre-established gate value. The Remuneration and Appointments Committee checks the extent to which Senior Managers and other Key Managers have reached their objectives and proposes assessments and the resulting determination of bonuses to the Board of Directors. The final assessment of the objectives is also based on a verification of the results achieved for compliance in respect of ethical and anti-corruption profiles.

Any payments are made after the 2017 financial statements are approved and, in any case, in the first half of 2018.

No bonus will be paid in the case of wilful misconduct or gross negligence or if there is a significant deterioration in Rai Way’s financial position and situation, while any amount paid will be subject to clawback if the performance in question turns out not to be of a long-lasting or effective nature due to wilful misconduct or gross negligence, within the sphere of the applicable legal and contractual

obligations.

As stated, Key Managers are the beneficiaries of the short-term variable component, and, as indicated above, these include Senior Management (the Chief Executive Officer, the General Manager, the Chief Human Resources Officer, the Chief Financial Officer, and the Manager in charge of preparing the corporate accounting documents), as well as other managers identified in the first implementation of the new organisational structure approved by Rai Way's Board of Directors holding the following organisational positions: Legal and Corporate Affairs and Secretariat to the Board of Directors (already included in 2016) and Chief Business Development Officer.

Non-monetary benefits

These regard the following benefits, provided solely to the Company's Key Managers:

- (i) use of a company car and reimbursement of fuel expenses up to a maximum of 2,000 litres per calendar year;
- (ii) insurance policies;
- (iii) supplementary pension fund.

These benefits are essentially in line with those for 2016, taking account of the kinds of insurance envisaged. Members of the Board of Directors are not entitled to these non-monetary benefits (noting that the Chief Executive Officer is entitled to these benefits based on his management role within the Company).

Members of the Board of Statutory Auditors do not receive non-monetary benefits.

PERSONS TO WHOM THE REMUNERATION POLICY APPLIES

Remuneration Policy for the Chairman of the Board of Directors, Directors, and the Board of Statutory Auditors

Note that the mandate of the current Board of Directors will expire with the approval of the 2016 financial statements, in relation to which the Shareholders' Meeting adopted resolutions establishing the payment of a gross annual fee of Euro 50.000,00 to each member of the Board of Directors plus a gross annual amount of Euro 15.000,00 for each Chairman of an Advisory Committee and a gross annual amount of Euro 12.000,00 for each independent Director who is a member, but not Chairman, of an Advisory Committee, thereby assigning to the Board of Directors total gross annual fees of a maximum of Euro 404.000,00, without prejudice to the faculties available to the Board of Directors as per article 2389 (3) of the Italian Civil Code.

The Shareholders' Meeting called for 28 April 2017 will be asked to resolve on the appointment of the new members of the Board of Directors and the related remuneration, in accordance with Rai Way's bylaws.

Directors do not receive attendance fees for Board meetings. Directors who are not resident in Rome are entitled to receive reimbursement for any travel, accommodation, and meal expenses they may incur for performing their duties.

The Chairman of the Board of Directors Raffaele Agrusti holds a permanent employment relationship with managerial qualifications at the parent company RAI - Radiotelevisione italiana S.p.A. (hereinafter also "**RAI**"), with repayment of the fees to the Parent Company.

The Director Valerio Zingarelli has a fixed-term employment relationship as with managerial qualifications at the parent company RAI, with repayment of the fees to the Parent Company.

Other than the Chief Executive Officer, Directors are not entitled to any variable components in their remuneration. There are no agreements between the Company and any of the Directors envisaging indemnities, including of an insurance nature, payable on resignation or dismissal without just cause or if the employment relationship should cease following a public tender offer.

There is no contract between Rai Way and members of the Board of Directors which provides for severance indemnities, in addition to those provided for by the law and/or the applicable collective labour agreements.

The annual gross fees of the Board of Statutory Auditors were set by the Shareholders' Meeting of 28 April 2015 – which approved the reappointment of the Board of Statutory Auditors for fiscal years 2015-2017 and accordingly up until the Shareholders' Meeting approving the financial statements for the last of the three years - in the amount of Euro 35.000,00 for the Chairman and Euro 20.000,00 for each standing Auditor. Other than any changes that may be made to those fees, no variable components of remuneration, bonuses, attendance fees or other incentives are envisaged. Statutory Auditors who are not resident in Rome are entitled to receive reimbursement for any travel, accommodation, and meal expenses they may incur for performing their duties.

Remuneration Policy for the Chief Executive Officer as Head of Strategy, the General Manager and other Key Managers

A. SENIOR MANAGERS

The following are considered to be Senior Managers of Rai Way within the group of Key Managers:

- Chief Executive Officer (2);
- General Manager;
- Chief Financial Officer and Manager in charge of preparing the corporate accounting documents;
- Chief Human Resources Officer.

The Company's Senior Managers are the beneficiaries of a global remuneration package consisting of a fixed component, an annual short-term variable component, and non-monetary benefits (without prejudice to the possible implementation of a long-term incentive plan as referred to above). The fixed and variable components of each remuneration package comply with the principles set out in the previous paragraph *Principles and Guidelines of the Remuneration Policy*.

In detail, the short-term variable component (MBO) provides for an annual bonus, as shown in the table below, payable as a percentage of the fixed remuneration based on the extent that the objectives are reached, for each of which a minimum level and target is established, with the recognition of intermediate levels. More specifically, each objective is measured individually, with the resulting possibility of different combinations in the overall mix depending on the actual level achieved compared to the expected result and correlated modulation of the bonus within the range of amounts corresponding to the minimum (35% of fixed remuneration) and the target (50% of fixed remuneration); linear interpolation is then used to determine the intermediate levels between the minimum and maximum (continuing from 2016 and for which greater detail is provided in the table below).

SENIOR MANAGERS	
Performance	Incentive as a % of fixed remuneration (3)
Below the minimum	0%
All objectives at the minimum level	35%
Intermediate objectives achieved (as a combination of results for individual objectives assigned or within the single objective)	Between 35% and 50%
All objectives at target level	50%

(2) The Chief Executive Officer in office as at the date of this Report has a permanent employment contract with Rai Way as Head of Strategy.

(3) There is the possibility of recognising a variable component to the Chief Executive Officer based on his management role, to be defined by the Board of Directors upon the opinion of the Remuneration and Appointments Committee.

Given the above general guidelines of focusing on growth targets, a “gate” based on the budgeted EBITDA is envisaged, the achievement of which triggers a reward system, in comparison to 2016, which made reference to a 2.5% increase of the “EBITDA- Maintenance CAPEX” over the 2016 budget. In addition, the system, along with the “gate”, is activated when the role’s quantitative and qualitative objectives reach the minimum level (one of which has a greater weight in the objectives mix).

Comparing with the 2016 system, the individual performance of each member of Senior Management continues to be structured on the basis of individual objectives, with the relative Key Performance Indicators (“KPIs”), that take into account the following dimensions: economic and financial, competitiveness, internal processes (including ethical profiles and compliance with anti-corruption regulations and an assessment of the performance linked to risk management strategy established at a corporate level), innovation, learning, and the social dimension, differing based on the various skills and operational areas of the beneficiaries and detailed consistent with the strategic prospects included in the 2015-2019 Business Plan. The targets for 2017 were determined within the framework of these principles.

Any bonus payments are made after the 2017 financial statements are approved and, in any case, in the first half of 2018.

Non-monetary benefits for Senior Managers include: (i) use of a company car and reimbursement of fuel expenses up to a maximum of 2.000 litres per calendar year; (ii) insurance policies; and (iii) supplementary pension fund.

There are no agreements between the Company and the Senior Managers envisaging severance indemnities or indemnities of any other nature in addition to those provided by law and/or any applicable collective labour agreement (nor in the case of resignation or dismissal without just cause or if the employment relationship should cease following a public tender offer).

B. OTHER KEY MANAGERS

Other Key Managers that have been identified in the new organisational structure approved by Rai Way’s Board of Directors, which were not included in the 2016 plan, are:

- Legal and Corporate Affairs and Secretariat to the Board of Directors;
- Chief Business Development Officer.

These Managers are the beneficiaries of a global remuneration package consisting of a fixed component, an annual short-term variable component, and non-monetary benefits (without prejudice to the possible implementation of a long-term incentive plan as referred to above).

The fixed and variable component of each remuneration package complies with the principles set out in the previous section *Principles and Guidelines of the Remuneration Policy*.

In detail, the short-term variable component (MBO) provides for an annual bonus, as shown in the table below, payable as a percentage of the fixed remuneration based on the extent that the objectives are reached, for each of which a minimum level and target is established, with the recognition of intermediate levels. More specifically, each objective is measured individually, with the resulting possibility of different combinations in the overall mix depending on the actual level achieved compared to the expected result and correlated modulation of the bonus within the range of amounts corresponding to the minimum (20% of fixed remuneration) and the target (30% of fixed remuneration); linear interpolation is then used to determine the intermediate levels between the minimum and maximum (continuing from 2016 and for which greater detail is provided in the table

below).

OTHER KEY MANAGERS	
Performance	Incentive as a % of fixed remuneration
Below the minimum	0%
All objectives at the minimum level	20%
Intermediate objectives achieved (as a combination of results for individual objectives assigned or within the single objective)	Between 20% and 30%
All objectives at the target level (Reaching 100% for each objective)	30%

A “gate” mechanism is envisaged based on the budgeted EBITDA, the achievement of which triggers a reward system, in comparison to 2016, which made reference to a 2,5% increase of the “EBITDA-Maintenance CAPEX” over the 2016 budget. In addition, the system, along with the “gate”, is activated when the role’s quantitative and qualitative objectives reach the minimum level (one of which has a greater weight in the objectives mix).

Compared with 2016, the individual performance of each Key Manager continues to be structured based on individual objectives with related KPIs, which take into account the following dimensions: economic and financial, competitiveness, internal processes (including ethical profiles and compliance with anti-corruption regulations and an assessment of performance linked to risk management strategy established at a corporate level), innovation, learning, and the social dimension, differing based on the various skills and operational areas of the beneficiaries and detailed consistent with the strategic prospects included in the 2015-2019 Business Plan.

Any bonus payments are made after the 2017 financial statements are approved and, in any case, in the first half of 2018.

Non-monetary benefits for Key Managers include: (i) use of a company car and reimbursement of fuel expenses up to a maximum of 2.000 litres per calendar year; (ii) insurance policies; and (iii) supplementary pension fund.

There are no agreements between the Company and the Key Managers envisaging severance indemnities or indemnities of any other nature in addition to those provided by law and/or any applicable collective labour agreement (nor in the case of resignation or dismissal without just cause or if the employment relationship should cease following a public tender offer).

SECTION II – IMPLEMENTATION OF THE REMUNERATION POLICY

INTRODUCTION

This section consists of:

1. a first part, that provides a representation in a summarised descriptive form of the compensation due for 2016 to those to whom the Remuneration Plan applies;
2. a second part, which sets out the above remuneration in tabular form.

The items making up the remuneration of the Directors and the General Manager are presented in nominative form, while those for the other members of Key Management are presented in combined form (as per article 123-ter of the TUF).

PART I

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The following information is provided for 2016:

- as per the resolutions adopted by the Shareholders' Meetings of 18 September 2014 and 6 October 2014, each member of the Board of Directors remaining in office for the whole year is entitled to the payment of a gross annual fee of Euro 50.000,00 plus a gross annual amount of Euro 15,000.00 for each Chairman of an Advisory Committee and a gross annual amount of Euro 12.000.00 for each independent Director who is a member, but not Chairman, of an Advisory Committee.
- the current Chairman of the Board of Directors Raffaele Agrusti, in office, including as a Director, since 28 April 2016, and Director Nicola Claudio, in office since 29 January 2016, have a permanent employment relationship with managerial qualifications at the parent company RAI - Radiotelevisione italiana S.p.A., have repaid their respective fees to the Parent Company;
- Camillo Rossotto was Director and Chairman of the Board of Directors until 28 April 2016 and had a permanent employment relationship with managerial qualifications at the parent company RAI - Radiotelevisione italiana S.p.A. until 31 January 2016.

The Directors did not receive any variable components in their remuneration (noting that as shown below the Chief Executive Officer has benefited from such on the basis of his managerial position in the Company as Head of Strategy), nor were attendance fees payable for participation at Board meetings.

Directors who are not resident in Rome are entitled to receive reimbursement for any travel, accommodation, and meal expenses they may incur for performing their duties.

No bonuses and other incentives or non-monetary benefits have been given to members of the Board of Directors on the basis of such position (noting that as shown below the Chief Executive Officer has benefited from such on the basis of his managerial position in the Company as Head of Strategy).

There are no agreements between the Company and any of the Directors envisaging indemnities, including of an insurance nature, payable on the early termination of the relationship.

REMUNERATION OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS

For 2016, the Shareholders' Meeting of 28 April 2015, which approved the appointment of the Board of Statutory Auditors for fiscal years 2015-2017 and accordingly up until the Shareholders' Meeting approving the financial statements for the last of the three years, established a gross annual fee of Euro 35.000,00 for the Chairman and Euro 20.000,00 for each standing Auditor, as previously established for the Board of Statutory Auditors whose term of office expired at that Shareholders' Meeting. No variable components of remuneration, bonuses, attendance fees or other incentives are envisaged, including non-monetary benefits.

There are no agreements between the Company and any member of the Board of Statutory Auditors envisaging indemnities, including of an insurance nature, payable on the early termination of the relationship.

REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AS HEAD OF STRATEGY, THE GENERAL MANAGER AND OTHER KEY MANAGERS

The Chief Executive Officer Stefano Ciccotti has a managerial employment contract with Rai Way as Head of Strategy, and for 2016 received fixed gross annual remuneration of Euro 279.347,00.

Again with reference to 2016:

- the fixed gross annual remuneration of the General Manager was Euro 229.256,00;
- the total fixed gross annual remuneration of the remaining Key Managers was Euro 990.665,00.

The following amounts were granted as the short-term variable component of remuneration based on the *Principles and Guidelines of the 2016 Remuneration Policy*:

- Chief Executive Officer as Head of Strategy: Euro 135.482,00;
- General Manager: Euro 114.627,00;
- Other Key Managers: Euro 378.012,00.

No other bonuses or incentives of a monetary nature were granted.

I non-monetary benefits paid to Senior Managers (including the Chief Executive Officer for his managerial position with the Company as Head of Strategy) and to other Key Managers on the basis of their position as managers of the Company were as follows:

- (i) use of a company car and reimbursement of fuel expenses up to a maximum of 2.000 litres per calendar year;
- (ii) insurance policies;
- (iii) supplementary pension fund.

There are no agreements between the Company and any member of the Senior Managers or Key Managers envisaging indemnities, including of an insurance nature, payable on the early termination of the relationship.

Rome, 9 March 2017

On behalf of the Board of Directors

Chairman

Raffaele Agrusti

Part II

Table 1 – Compensation of members of the management and control bodies, the General Manager and other Key Managers

1.1 Compensation of members of the management and control bodies, the General Manager and other Key Managers in office at 31 December 2016

FIRST AND LAST NAME	POSITION	REFERENCE PERIOD 2016	EXPIRATION OF MANDATE	FIXED COMPENSATION (*)	COMPENSATION FOR COMMITTEE PARTICIPATION	NON-MONETARY BENEFITS (1)	NON-EQUITY VARIABLE COMPENSATION	OTHER COMPENSATION	END-OF-MANDATE OR SEVERANCE INDEMNITY	TOTAL
							<i>Bonuses and other incentives</i>	<i>Profit participation</i>		
RAFFAELE AGRUSTI	CHAIRMAN	28.04-31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2016	33,879.78						33,879.78
STEFANO CICCOTTI	CHIEF EXECUTIVE OFFICER and HEAD OF STRATEGY	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2016	329,347.00 (*)		12,132.34	135,482.00			476,961.34
JOYCE VICTORIA BIGIO	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2016	50,000.00	15,000.00 (a)					65,000.00
FABIO COLASANTI	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2016	50,000.00	12,000.00 (b)					62,000.00
ALBERTO DE NIGRO	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2016	50,000.00	12,000.00 (c)					62,000.00
ANNA GATTI	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2016	50,000.00	15,000.00 (d)					65,000.00
NICOLA CLAUDIO	DIRECTOR	29.01-31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2016	46,174.86						46,174.86
MARIA GIOVANNA BASILE	CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2017	35,000.00						35,000.00
GIOVANNI GALOPPI	STANDING AUDITOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2017	20,000.00						20,000.00
MASSIMO PORFIRI	STANDING AUDITOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2017	20,000.00						20,000.00
ALDO MANCINO	GENERAL MANAGER	01.01 - 31.12		229,256.00		4,903.34	114,627.00			348,786.34
OTHER KEY MANAGERS				990,665.00		30,261.17	378,012.00			1,398,938.17
TOTAL				1,904,322.64	54,000.00	47,296.85	628,121.00	0.00	0.00	2,633,740.49

1.2 Compensation of members of management and control bodies who resigned prior to the end of 2016

FIRST AND LAST NAME	POSITION	REFERENCE PERIOD 2016	EXPIRATION OF MANDATE	FIXED COMPENSATION (*)	COMPENSATION FOR COMMITTEE PARTICIPATION	NON-MONETARY BENEFITS (1)	NON-EQUITY VARIABLE COMPENSATION	OTHER COMPENSATION	END-OF-MANDATE OR SEVERANCE INDEMNITY	TOTAL
							<i>Bonuses and other incentives</i>	<i>Profit participation</i>		
CAMILLO ROSSOTTO	CHAIRMAN	01.01 - 28.04.2016		16,256.83						16,256.83

(*) For Chairman Raffaele Agrusti, in office since 28 April 2016 and having a permanent employment relationship with managerial qualifications at the parent company RAI - Radiotelevisione italiana S.p.A., the fee paid was recharged to the Parent Company.

For Director Nicola Claudio, in office since 29 January 2016 and at 31 December 2016, and having a permanent employment relationship with managerial qualifications at the parent company RAI - Radiotelevisione italiana S.p.A., the fee paid was recharged to the Parent Company.

(1) For completeness and without prejudice to the matters discussed, *inter alia*, in Section II, it should be noted that the option which the Company's managers may exercise regarding their supplementary pension enables them to treat the excess of the supplementary pension contribution over the tax deductibility ceiling (Euro 5,164 per year) as a component of remuneration. This option was exercised by the Chief Executive Officer in his capacity as Head of Strategy, by the General Manager and by the remaining Key Managers (with the resulting remuneration components in the reference period included in the fixed compensation received being Euro 22,976.79, Euro 18,191.22 and Euro 59,610.07 respectively).

(.)= Of which Euro 279,347.00 arising from the managerial employment contract as Head of Strategy.

(a) = Chairman of the Control and Risks Committee and member of the Remuneration and Appointments Committee.

(b) = Member of the Control and Risks Committee and member of the Remuneration and Appointments Committee.

(c) = Member of the Control and Risks Committee.

(d) = Chairman of the Remuneration and Appointments Committee.

Table 2 – Schema 7-ter – Table providing disclosures of investments held by members of the management and control bodies, the General Manager and other Key Managers

Table 2.1: Investments held by members of the management and control bodies and the General Manager in office at 31 December 2016

FIRST AND LAST NAME	OFFICE	INVESTEE COMPANY	NUMBER OF SHARES HELD AT END OF PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT END OF 2016
Raffaele Agrusti (**)	Chairman					
Stefano Ciccotti	Chief Executive Officer	Rai Way SpA	4,500 (*)			4,950 (***)
Joyce Victoria Bigio	Director	Rai Way SpA	12,950			12,950
Nicola Claudio	Director	Rai Way SpA	1,000 (*)			1,100 (***)
Fabio Colasanti	Director					
Alberto De Nigro	Director					
Anna Gatti	Director					
Maria Giovanna Basile	Chairman of the Board of Statutory Auditors					
Giovanni Galoppi	Standing Auditor					
Massimo Porfiri	Standing Auditor					
Aldo Mancino	General Manager	Rai Way SpA	10,000 (*)			11,000 (***)

Investments held by members of management and control bodies who resigned prior to the end of 2016

FIRST AND LAST NAME	OFFICE	INVESTEE COMPANY	NUMBER OF SHARES HELD AT END OF PREVIOUS YEAR	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT DATE OF RESIGNATION (****)
Camillo Rossotto	Chairman	Rai Way	20,000 (*)			22,000 (***)

Table 2.2: Investments of other Key Managers

NUMBER OF KEY MANAGERS	INVESTEE COMPANY	NUMBER OF SHARES HELD AT END OF PREVIOUS YEAR (*)	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT END OF 2016
1	Ray Way	2,000			2,200 (***)

(*) Purchased as part of the public offering of shares in the Company by RAI - Radiotelevisione italiana S.p.A., for admission to listing on the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A., ("IPO"), except as regards the shares held by Director Joyce Victoria Bigio.

(**) In office since 28 April 2016; the information provided in the column on the number of shares owned at the end of the previous year is therefore intended as at the appointment date.

(***) The increase in the equity investment indicated in the column "Number of shares held at end of previous year" relates to the free assignment of shares provided for under the IPO following the continuous holding period of 12 months for shares purchased on the occasion of the IPO ("bonus shares").

(****) Resigned from office on 28 April 2016 (effective resignation date); the information provided in the column on the number of shares owned is therefore intended as at the resignation date.