

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 21 March 2018)



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 21 March 2018)

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.

Contents

Letter from the Chairman of the Remuneration and Appointments Committee	5
INTRODUCTION	9
SECTION I – REMUNERATION POLICY FOR 2018.....	10
COMPLIANCE OF PERSONS INVOLVED IN THE REMUNERATION PROCESS	10
REMUNERATION AND APPOINTMENTS COMMITTEE	11
PRINCIPLES AND GUIDELINES OF THE REMUNERATION POLICY	13
SUMMARY FRAMEWORK	16
Remuneration Policy for the Chairman of the Board of Directors, Directors and the Board of Statutory Auditors ..	17
Remuneration Policy for the Chief Executive Officer and General Manager and other Key Managers	18
SECTION II – IMPLEMENTATION OF THE REMUNERATION POLICY.....	20
INTRODUCTION.....	20
PART I.....	21
REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS	21
REMUNERATION OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS	22
REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND THE GENERAL MANAGER AND OTHER KEY MANAGERS	23
PART II.....	25
Table 1 – Compensation of members of the management and control bodies, the General Manager and other Key Managers.....	25
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	27

Letter from the Chairman of the Remuneration and Appointments Committee



Anna Gatti, Chairman of the Remuneration and Appointments Committee

Dear Shareholders,

Together with Directors Joyce Victoria Bigio and Donatella Sciuto, 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 Rai Way Remuneration Report for 2018. The report is a long-standing tool for communicating and sharing the compensation systems adopted by the Company, affecting the entire policy of continuous alignment with current laws and regulations and national and international best practices, in order to strengthen the interests of the shareholders and stakeholders, and in tandem to “attract and incentivise Directors and Key Managers required to successfully manage the Company (Corporate Governance Code, principle 6.P.1).

The correlation with the corporate strategies and principles, being competitive with best market practices in the reference framework of consistency and fairness of the corporate organisational plan, transparency in compensation models, as well as compliance with the legislative and regulatory context, are the key principles of Rai Way’s remuneration policy, in 2018 designed to reflect and provide incentives for achieving and exceeding the Company’s business objectives sustainably, and as a consequence, to seeking alignment of the management’s interests with the generation of value for shareholders, in line with the challenges and opportunities set out also with the long-term in mind.

The demands received from the stakeholders were also considered by the Committee in drafting the Remuneration Policy for 2018 (described in the first section of the document), with an outlook to open, transparent and ongoing dialogue with all stakeholders.

Against this backdrop, the Committee’s work over the last year, characterised by a significant organisational turnaround for the development of the overall positioning and increased focus on orientation towards business and innovation of competitive processes and services, was centred around the following activities:

- balance of the performance results for the year 2016;
- continuously monitoring of the tools, and their related effectiveness, for implementing the 2017 remuneration policy;
- contribution to the development of the succession plans for the key management positions;
- pushing to update the job evaluation and wage assessment for the key organisational positions;
- definition of the development guidelines for the MBO system for the year 2018 and raising awareness among company management on the evaluation culture.

To confirm the worth of the remuneration policies adopted, Rai Way, since its listing on the stock exchange, has constantly created value for its shareholders, as illustrated in the graphs below, outperforming the reference market.

As for the content of the new Remuneration Policy, in light of the positive results achieved by the 2017 remuneration policy, we deemed it best to keep its structure substantially unaltered, submitting a few small changes to the Board of Directors aimed at guaranteeing that the market will receive it even better and consolidation in the alignment of the management and the directors with the strategic corporate objectives. Specifically, analyses were begun to introduce a long-term variable Remuneration Plan, meant to reward reaching of long-term objectives aimed at generating value and sustainable growth, consistently with the interests of the shareholders, as well as to retain the Company's key personnel.

The Board of Directors shared the content of the Rai Way Remuneration Policy, approving this Remuneration Report at the meeting on 21 March 2018, broken down, pursuant to article 123-ter of the Consolidated Financial Act ("TUF") as follows:

- the first section, on which the Ordinary Shareholders' Meeting is called to express a non-binding vote, illustrates principles and guidelines of the remuneration policy adopted by the Company for the 2018 financial year for the members of the corporate bodies (Board of Directors and Board of Statutory Auditors) and for the Key Managers;
- the second section gives information on the remuneration due for 2017 to those to whom last year's Remuneration Plan applies.

We hope that once again this year, a solid, complete and transparent remuneration policy will help us achieve our objectives, valuing our personnel and our shareholders 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 2018 policies defined herein.

Anna Gatti

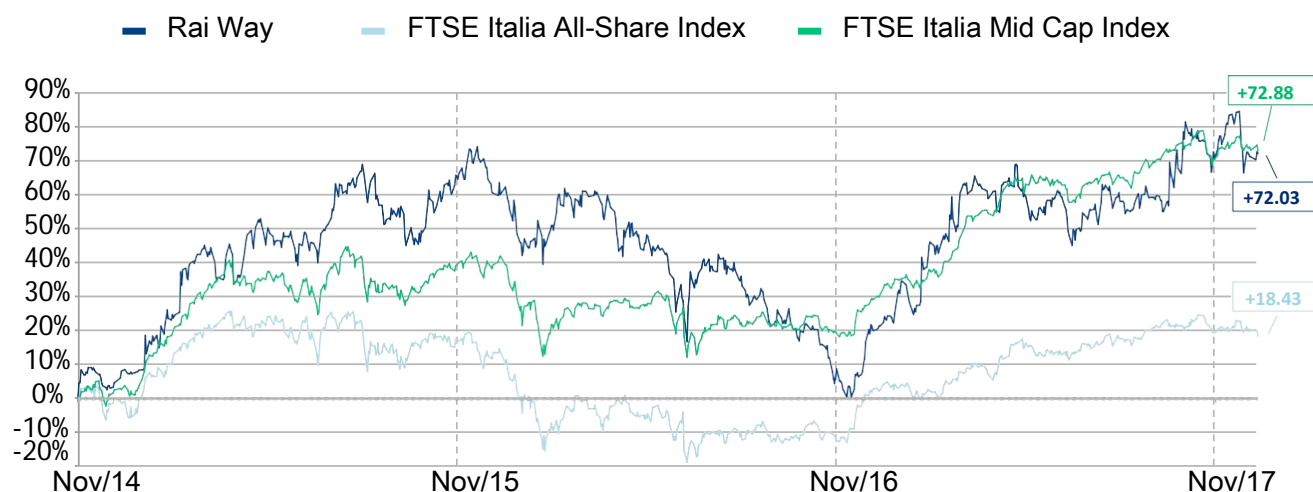
*Chairman of the Remuneration and Appointments
Committee*

TOTAL SHAREHOLDER RETURN OF RAI WAY FROM THE IPO AS OF 31/12/2017

From the start of trading of the Company's shares on the Electronic Stock Exchange of Borsa Italiana (19 November 2014) until the end of 2017 Rai Way achieved a Total Shareholder Return (TSR) for its shareholders of 86% (72% net of the dividends and 14% from the distribution of dividends).

In the same period, the TSR⁽¹⁾ of the FTSE Italia All-Share and FTSE Italia Mid Cap indexes was 30% (18% net of the dividends) and 86% (73% net of the dividends) respectively.

PERFORMANCE OF RAI WAY SHARES AND THE FTSE ITALIA ALL-SHARE and MID CAP INDEXES (IPO-31/12/2017)



FINANCIAL PERFORMANCE FROM THE IPO AS OF 31/12/2017

€ millions	IPO	2017	% change
Core earnings	207.4	216.2	4.2%
Adj. EBITDA	105.1	115.5	9.9%
EBIT	54.2	81.4	50.2%
Net Profit	33.6	56.3	67.6%

RAI WAY AND THE FINANCIAL MARKETS IN 2017

The financial year was particularly positive in many of the main world markets, favoured by the general improvement of the economy and the trust of the investors, by the signs of a very gradual and progressive shift of the monetary policies in a context of moderate inflation and expectations of low volatility on the fundamentals of companies.

The Italian stock exchange (FTSE Italia All-share) grew 15.5% in 2017, with the automotive sector recording the most significant rise. The BTP-Bund 10 year yield spread was recorded to be 159bp as of 31 December 2017, in line with the 2016 year-end value of 161bp.

¹ Weighted average based on the capitalisation of the free float of the yields (including dividends) of the shares belonging to the indexes.

The Rai Way shares, as remarked traded on the Electronic Stock Exchange of Borsa Italiana as of 19 November 2014 following completion of the Global Offer, during the course of 2017 reported an extremely positive performance rising by 41.8% (46.1% including the distribution of the dividend), decidedly above +15.5% of the FTSE Italia All Share index and the +32.3% of the FTSE Italia Mid-cap index. The performance fell within the aforementioned positivity of the big picture, also on the industry level. Rai Way closed 2017 with a Euro 1,380.4 million capitalization.

INTRODUCTION

Key elements of the Remuneration Policy for 2018

In accordance with current provisions this Remuneration Report sets out the principles and guidelines of the remuneration policy adopted by Rai Way S.p.A. (“**Rai Way**” or the “**Company**”) and its implementation.

The document covers:

- in its first section the remuneration policy adopted by the Company for 2018 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 ⁽²⁾. In general, the Remuneration Policy for 2018 is designed to reflect and provide incentives for achieving and exceeding Rai Way’s business objectives, and as a result, to seek to align the management’s interests with the generation of value for shareholders, in line with the challenges and opportunities set out also with the long-term in mind;
- the second part, that provides a representation in a summarised descriptive form and in table form of the compensation due for 2017 to those to whom the Remuneration Plan applies.

² 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*”.

SECTION I

REMUNERATION POLICY FOR 2018

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 the General Manager 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.

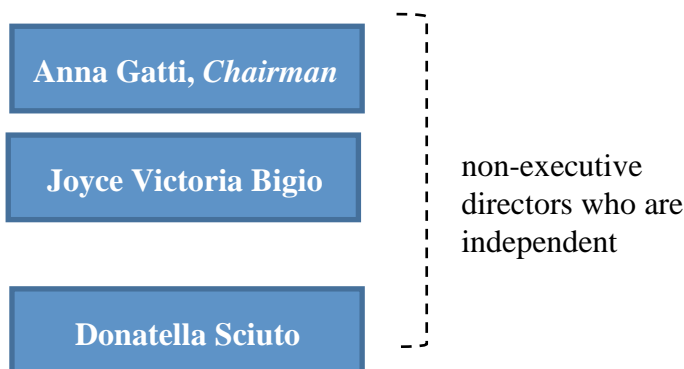
REMUNERATION AND APPOINTMENTS COMMITTEE

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 ⁽³⁾, the Committee consists of:



Note that the mandate of the current Board of Directors, and consequently the related internal committees, will expire with the approval of the 2019 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).

³ In office in the current composition since 28 April 2017. Up until this last date and for the preceding part of the year 2017, the Committee has always been made up of non-executive and independent directors in the persons of: (i) Anna Gatti (Chairman), Joyce Victoria Bigio and Fabio Colasanti. Regarding the meetings of the Committee and the shares of its members, see the *Report on Corporate Governance and Ownership Structure* (year 2017) posted on the Company's website www.raiway.it, in the Governance/ Shareholders' Meetings/ Meetings/ Ordinary Meeting of 23 April 2018 section.

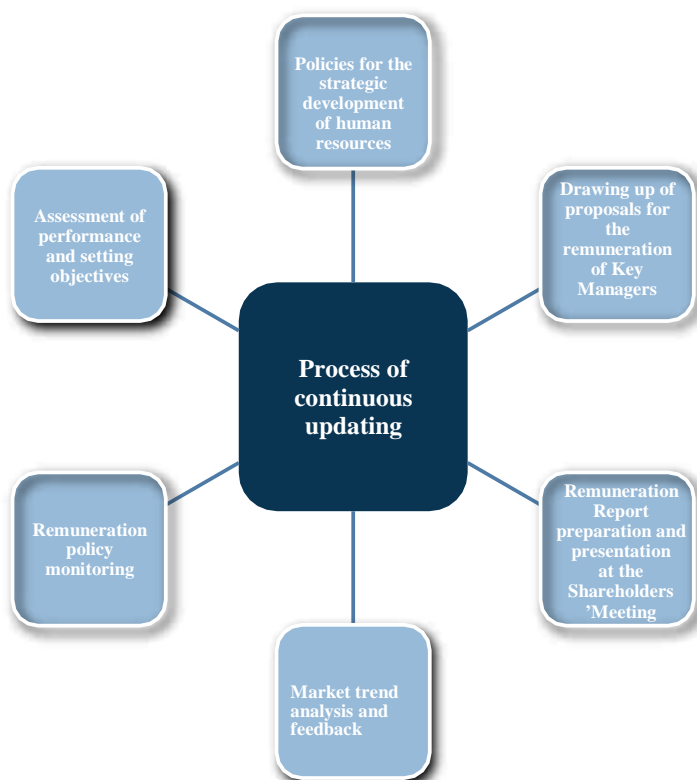
Whenever it intends to use the services of a consultant in order to obtain information on market practice for remuneration policies, the Committee checks in advance that it will not find itself in situations that may impair the independence of any opinion.

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 2018. 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.

The Remuneration and Appointments Committee plans to use the services of the consulting firm Korn Ferry Hay Group, having checked that its independence has been maintained, for the purposes of updating the analyses for assessing the remuneration models to be found 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 2018 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 financial year 2018, consolidating the key principles in the Remuneration Policy taken up during the year 2017, means to meet the challenge for attracting, incentivising and motivating the strategic resources called on to provide a critical contribution based on the evolutionary guidelines of 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:

- **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 2018;
 - b) established in accordance with a "pay for performance" criterion by which performance is assessed on the basis of a variety of indicators that take into account the economic and financial dimension, the competitiveness dimension with an outlook to focusing on innovation and management of the technical/evolutionary scene, the skill upgrading dimension and growth of company culture, as well as the dimension of efficiency and system and process development;
- **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;
- **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);
- **selectivity of the beneficiaries and internal consistency** with respect to positions, spheres of responsibility and duties performed.

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, and updated in relation to the most recent reorganisation for consistency and competitive adjustment assessments, with an orientation tending towards aligning the individual level of remuneration to the median of the market and to graduating the steps taken regarding the assessment of the measurement of performance compared to the Company's strategic objectives and the relevant role.

Short-term variable component

Purposes

With reference to the MBO system, the variable component for 2018 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 laid in the strategy sphere – 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 and provides indicators to assess the performance resulting from the risk management strategy established at a corporate level.

Characteristics

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.

Performance conditions

For 2018, 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 2018 Adjusted EBITDA.

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 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 2018 financial statements are approved and, in any case, in the first half of 2019.

Clawback

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.

Beneficiaries

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 and 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 most recent organisational structure approved by Rai Way's Board of Directors holding the following organisational positions: Legal & Corporate Affairs and Board of Directors Secretary, Chief Business Development Officer and Chief Technology Officer.

Long Term Incentive

Over the course of 2018, it is planned to proceed with further development of analyses to assess, during the financial year, the possibility of adopting a long-term incentive plan, to be reserved for Key Managers and possibly other employees (even if not managers) at the Company and its subsidiaries (when they exist), chosen based on relevance of the organisational position and/or the expected contribution in relation to the role with respect to development of company activity, and especially having as its aim the rewarding of the achievement of long-term objectives geared to the generation of value and sustainable growth.

This potential component of remuneration, 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).

Benefits

The remuneration offering is integrated by the following non-monetary benefits, paid 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 2017, 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.

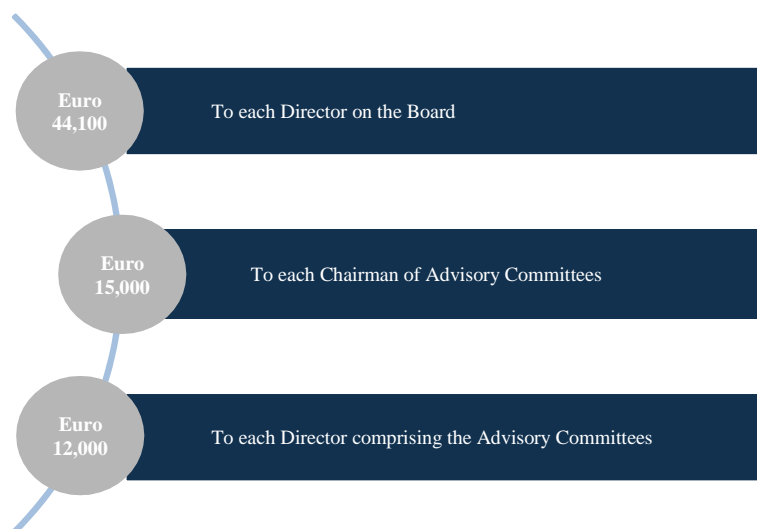
SUMMARY FRAMEWORK

Component	Purpose and characteristics	Conditions for implementation
Fixed remuneration	Remunerates the knowledge/ skills, the complexity of the role and the level of the position and experience	The remuneration positioning has been measured by way of market benchmarks, on the basis of the certified methodology updated in relation to the company organisation for consistency and competitive adjustment assessments, with an orientation tending towards aligning the individual level of remuneration to the median of the market and to graduating, at different times, the steps taken regarding the assessment of the measurement of performance compared to the Company's strategic objectives and the relevant role.
Short-term monetary incentive (MBO)	Encourages the reaching of yearly economic/financial objectives, as well as quali-quantitative objectives for the role	<p>Beneficiaries: Key Managers (Senior Managers and other Key Managers).</p> <p>The system activates upon reaching a "gate" (in line with best market practices), focused on corporate performance expressed by the budgeted 2018 Adjusted EBITDA.</p> <p>The short-term variable component (MBO) provides for an annual bonus shown 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. The valuation of the bonus is correlated to the level of achievement of the expected result</p> <ul style="list-style-type: none"> • minimum level: 35% of the GAS for Senior Managers, 20% for other Key Managers; • target level: 50% of the GAS for Senior Managers, 30% for other Key Managers • for the recognition of the intermediate values between the minimum and maximum level, application of a linear interpolation method is confirmed <p>- <i>Clawback</i> : no bonus will be paid in the case of wilful misconduct or gross negligence or if there is a significant deterioration in the Company'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.</p>
Benefits	They are an integral part of the "remuneration package" and are characterised by their prevalently welfare and social security nature	<p>Determined in keeping with the policy implemented in the past years and following that set forth by the National Collective Labour Agreement + integrative agreements of reference.</p> <p>Provided to all Key Management (and to the entire management population) of the Company:</p> <ul style="list-style-type: none"> (i) use of a company car and reimbursement of fuel expenses up to a maximum of 2,000 litres per calendar year; (ii) registration in the health plan fund (FASDIR); (iii) company contribution to the complementary pension fund (FI-PDRAI)
Long-term incentive (LTI)	Encourages the reaching of economic/financial objectives over the course of many years	<p>Over the course of 2018, it is planned to proceed with further development of analyses to assess, during the financial year, the possibility of adopting a long-term incentive plan, to be reserved for Key Managers and possibly other employees (even if not managers) at the Company and its subsidiaries (when they exist), chosen based on relevance of the organisational position and/or the expected contribution in relation to the role with respect to development of company activity, and especially having as its aim the rewarding of the achievement of long-term objectives geared to the generation of value and sustainable growth.</p> <p>This component of remuneration may take monetary form or may also be based on financial instruments.</p>

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 2019 financial statements, in relation to which the Shareholders' Meeting adopted resolutions on 28 April 2017, establishing the payment of a gross annual fee of Euro 475,000 to the Board of Directors as a whole, to be divided up among the members by the board itself, taking into account participation in Board committees, and in any case without prejudice to the Board of Directors' rights as set forth in art. 2389 (3) of the Italian Civil Code concerning compensation for special assignment in keeping with art. 26 of the Company bylaws.

To this regard, the Board of Directors later passed resolution on the following division of the annual remuneration:



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

The Director Gian Paolo Tagliavia has a permanent employment relationship 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 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 - in the amount of Euro 35,000.00 for the Chairman and Euro 20,000.00 for each standing Auditor. 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.

The Shareholders' Meeting called for 23 April 2018 will be asked to resolve on the appointment of the new members of the Board of Statutory Auditors and the related remuneration, in accordance with the law and Company bylaws.

Remuneration Policy for the Chief Executive Officer and General Manager and other Key Managers

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

- Chief Executive Officer and General Manager ⁽⁴⁾;
- Chief Financial Officer and Manager in charge of preparing the corporate accounting documents;
- Chief Human Resources Officer.

The other Key Managers have been identified as the holders of the following organisational positions:

- Legal & Corporate Affairs and Board of Directors Secretary;
- Chief Business Development Officer;
- Chief Technology Officer.

The entire Key Management of the Company is the beneficiary of a global remuneration package consisting of a fixed component, an annual short-term variable component, and non-monetary benefits (without prejudice to a survey geared toward possible adoption of a long-term incentive plan in the course of the year as referred to above). The fixed and variable components of each remuneration package comply 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 tables 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 and the target value; linear interpolation is then used to determine the intermediate levels between the minimum and maximum (continuing from 2017 and for which greater detail is provided in the table below).

⁴ The Chief Executive Officer in office as at the date of this Report has a permanent management employment contract with Rai Way with the qualification of General Manager.

	SENIOR MANAGERS	OTHER KEY MANAGERS
Performance Level	Incentive as a % of fixed remuneration	Incentive as a % of fixed remuneration
Below the minimum	0%	0%
All objectives at the minimum level	35%	20%
Intermediate objectives achieved (as a combination of results for individual objectives assigned or within the single objective)	Between 35% and 50%	Between 20% and 30%
All objectives at target level	50%	30%

Given the above general guidelines of focusing on growth targets, a “gate” based on the budgeted Adjusted EBITDA is envisaged, the achievement of which triggers a reward system. The system also activates, together with the above-mentioned “gate”, upon reaching – assessed separately from each – of the quantitative or qualitative objectives for the role at minimum level.

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 account of the following dimensions: economic and financial, competitiveness, systems and processes, innovation, efficiency, development of company culture, differing on the basis of the various skills and operational areas of the beneficiaries and detailed consistent with the strategic prospects of the Company. Within the scope of these principles, the objectives for year 2018 are set.

Any bonus payments are made after the 2018 financial statements are approved and, in any case, in the first half of 2019.

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;
- (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 2017 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.

PART I

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The following information is provided for 2017:

- with regard to the Board of Directors in office up until 28 April 2017, as per the resolutions adopted by the Shareholders' Meetings of 18 September 2014 and 6 October 2014, each member of the Board of Directors is entitled to the payment of a gross fee equal to the pro quota for the time in office of the set gross annual amount 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 Director who is a member, but not Chairman, of an Advisory Committee;
- the Directors Nicola Claudio and Valerio Zingarelli, for that which concerns their respective periods in office (1 January 2017-19 January 2017 and 31 January 2017-28 April 2017), holders of employment relationship with managerial qualifications at the parent company RAI - Radiotelevisione italiana S.p.A., have repaid their respective fees to the Parent Company;
- with regard to the Board of Directors in office as of 28 April 2017, since, as already stated, the Shareholders' Meetings held on the same date passed resolution to entitle the Board of Directors to the payment of a gross annual fee of Euro 475,000.00 to be divided up among the members by the board itself, taking into account participation in Board committees, and in any case without prejudice to the Board of Directors' rights as set forth in art. 2389 (3) of the Italian Civil Code concerning compensation for special assignment in keeping with art. 26 of the Company bylaws. By virtue of related subsequent resolutions by the Board of Directors each member of the Board of Directors is entitled to the payment of a gross annual fee of Euro 44,100.00, in addition to a gross annual amount of Euro 15,000.00 to each Chairman of Advisory Committee and gross annual amount of Euro 12,000.00 to each Director that is a member of the committee themselves for each Director who is a member, but not Chairman, of an Advisory Committee, not to mention, upon the proposal of the Remuneration and Appointments Committee, a gross annual amount of Euro 55,900.00 to the Chief Executive Officer;
- up until 9 June 2017, Chairman of the Board of Directors Raffaele Agrusti held a permanent employment relationship as manager with the parent company RAI – Radiotelevisione italiana S.p.A., paying over to the Parent Company until that date the payment required as Director (only one required);
- in office as of 28 April 2017, Director Gian Paolo Tagliavia, holder of a permanent employment relationship as manager with the parent company RAI - Radiotelevisione italiana S.p.A., repaid the respective payment to the Parent Company.

Without prejudice to that specified below concerning the Chief Executive Officer, the directors did not receive any variable components in their remuneration, bonuses or other incentives, nor were attendance fees payable for participation at board meetings.

Directors are entitled to receive reimbursement for any travel, accommodation, and meal expenses they may incur for performing their duties.

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 2017, 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 AND THE GENERAL MANAGER AND OTHER KEY MANAGERS

I. The Chief Executive Officer, in office as of 28 April 2017, and General Manager Aldo Mancino earned, for 2017, a fixed gross annual fee totalling Euro 316,757.00, of which:

- Euro 249,256.00 for the managerial position at the Company with role of General Manager;
- Euro 29,768.00 as gross payment for the position of Director (amount reparametrised *pro quota* over the amount of Euro 44,100.00 per year);
- Euro 37,733.00 as gross payment for the position of Chief Executive Officer (amount reparametrised *pro quota* over the amount of Euro 55,900.00 per year).

Consistently with the relative policy, the total fixed gross annual remuneration paid to the rest of Key Management was equal to Euro 868,827.73.

The following amounts were granted as the short-term variable component of remuneration based on the Principles and Guidelines of the 2017 Remuneration Policy:

- Chief Executive Officer and General Manager: Euro 143,420.00;
- Other Key Managers: Euro 306,909.00.

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

The non-monetary benefits paid to Senior Managers (including the Chief Executive Officer for his managerial position with the Company) 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.

II. With regard to the Chief Executive Officer in office up until the Shareholders' Meeting of 28 April 2017, Eng. Stefano Ciccotti, the latter received, in addition to Euro 16,389.00 for the position of Director held until the same date, a fixed gross remuneration equal to Euro 209,735.28 for his managerial position with the Company as Key Manager, subsistent from 1 January 2017, and ending at 1 October 2017, after relocation to Rai - Radiotelevisione italiana S.p.A.

The above-mentioned relocation of the employment contract was provided for, specifically, without expenses for Rai Way (save the legal dues) and when waiver by the relevant party of any right and/or claim in any way linked to or deriving, either directly or indirectly, from the activity carried out for Rai Way itself (including activities performed as Director and Chief Executive Officer of the latter). The terms of the above-mentioned relocation, approved by the Board of Directors of the Company, were reviewed in advance by the Remuneration and Appointments Committee and by the Control and Risks Committee also as the committee for transactions with related parties.

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

The non-monetary benefits paid in the capacity of manager 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.

Rome, 21 March 2018

On behalf of the Board of Directors

The 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 2017

FIRST AND LAST NAME	OFFICE	REFERENCE PERIOD 2017	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
							Bonuses and other incentives	Profit participation			
RAFFAELE AGRUSTI (*)	CHAIRMAN	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	46,156.00							46,156.00
ALDO MANCINO	CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER (^)	28.4 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	316,757.00 (*)		4,016.94	143,420.00				464,193.94
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 2019	46,156.00	13,017.00 (a)						59,173.00
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 2019	46,156.00	12,033.00 (b)						58,189.00
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 2019	46,156.00	15,042.00 (c)						61,198.00
UMBERTO MOSETTI	INDEPENDENT DIRECTOR	28.4 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	29,768.00	8,100.00 (b)						37,868.00
DONATELLA SCIUTO	INDEPENDENT DIRECTOR	28.4 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	29,768.00	8,100.00 (a)						37,868.00
GIAN PAOLO TAGLIAVIA	DIRECTOR	28.4 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	29,768.00							29,768.00
PAOLA TAGLIAVINI	DIRECTOR	28.4 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	29,768.00	10,125.00 (d)						39,893.00
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
OTHER KEY MANAGERS				868,827.73		17,529.97	306,909.00				1,193,266.70
TOTAL				1,564,280.73	66,417.00	21,546.91	450,329.00				2,102,573.64

1.2 Compensation of members of management and control bodies who resigned prior to the end of 2017

FIRST AND LAST NAME	OFFICE	REFERENCE PERIOD 2017	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
							Bonuses and other incentives	Profit participation			
STEFANO CICCOTTI	CHIEF EXECUTIVE OFFICER and HEAD OF STRATEGY	01.01 - 28.4		226,124.28 (**)		1,733.07					227,857.35
NICOLA CLAUDIO	DIRECTOR	01.01 - 19.01		2,554.00							2,554.00
VALERIO ZINGARELLI	DIRECTOR	31.01 - 28.4		12,357.00							12,357.00
ALBERTO DE NIGRO	INDEPENDENT DIRECTOR	01.01 - 28.4		16,389.00	3,933.00 (b)						20,322.00

(*) As of 28 April 2017, Chairman of the Board of Directors Raffaele Agrusti held a permanent employment relationship, subsistent up until 9 June 2017, as manager with the parent company RAI – Radiotelevisione italiana S.p.A., paying over to the Parent Company until that date the payment required.

In office as of 28 April 2017, Director Gian Paolo Tagliavia, holder of a permanent employment relationship as manager with the parent company RAI - Radiotelevisione italiana S.p.A., repaid the respective payment to the Parent Company.

The Directors Nicola Claudio and Valerio Zingarelli, for that which concerns their respective periods in office (1 January 2017-19 January 2017 and 31 January 2017-28 April 2017), holders of employment relationship with managerial qualifications at the parent company RAI - Radiotelevisione italiana S.p.A., have repaid their respective fees to the Parent Company.

(^*) In office as General Manager for the entire financial year of 2017.

(•) Of which Euro 29,768.00 as gross payment for the position of Director (amount reparametrised pro quota over the amount of 44,100.00 per year), Euro 37,733.00 as gross payment for the position of Chief Executive Officer (amount reparametrised pro quota over the amount of Euro 55,900.00 per year) and Euro 249,256.00 for his managerial position with the Company as General Manager.

(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 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 20,156.57 and Euro 51,164.93 respectively).

(a)= Member of the Remuneration and Appointments Committee

(b)= Member of the Control and Risks Committee

(c)= Chairman of the Remuneration and Appointments Committee

(b)= Chairman of the Control and Risks Committee

(**) Of which Euro 16,389.00 for the position of Director held until 28 April 2017 and Euro 209,735.28 for his managerial position with the Company as Key Manager, subsistent from 1 January 2017, and ending at 1 October 2017, after relocation to Rai - Radiotelevisione italiana S.p.A.

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 2017

FIRST AND LAST NAME	OFFICE	INVESTEES 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 2017
Raffaele Agrusti	Chairman	Rai Way SpA				
Aldo Mancino (*)	Chief Executive Officer and General Manager	Rai Way SpA	11,000			11,000
Joyce Victoria Bigio	Director	Rai Way SpA	12,950		3,180	9,770
Fabio Colasanti	Director	Rai Way SpA				
Anna Gatti	Director	Rai Way SpA				
Umberto Mosetti (**)	Director	Rai Way SpA				
Donatella Sciuto (**)	Director	Rai Way SpA				
Gian Paolo Tagliavia (**)	Director	Rai Way SpA				
Paola Tagliavini (**)	Director	Rai Way SpA				
Maria Giovanna Basile	Chairman Board of Statutory Auditors	Rai Way SpA				
Giovanni Galoppi	Standing Auditor	Rai Way SpA				
Massimo Porfiri	Standing Auditor	Rai Way SpA				

Investments held by members of management and control bodies who resigned prior to the end of 2017.

FIRST AND LAST NAME	OFFICE	INVESTEES 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
Stefano Ciccotti ◊	Chief Executive Officer	Rai Way SpA	4,950			4,950
Nicola Claudio (***)	Director	Rai Way SpA	1,100			1,100
Alberto De Nigro ◊	Director	Rai Way SpA				
Valerio Zingarelli (****)	Director	Rai Way SpA				

(*) In office as Director and Chief Executive Officer as of 28 April 2017; in office as General Manager for the entire financial year of 2017.

(**) In office as of 28 April 2017. The information provided in the column on the number of shares owned at the end of the previous year is therefore as at the appointment date.

◊ In office as Director up until the Shareholders' Meeting of 28 April 2017. The information provided in the column on the number of shares owned is therefore as at the resignation date.

(***) In office as Director up until 19 January 2017. The information provided in the column on the number of shares owned is therefore as at the resignation date.

(****) In office as Director as of 31 January 2017, up until the Shareholders' Meeting of 28 April 2017. The information provided therefore refers to the appointment date (in the column on the number of shares owned at the end of the previous year) and to the resignation date.

Table 2.2: Investments of other Key Managers as of 31 December 2017.

NUMBER OF KEY MANAGERS	INVESTEES 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 2017
1	Rai Way SpA	2,200			2,200



Rai Way SpA

Registered office: Via Teulada, 66 - 00195 Rome

Fully paid-up share capital: Euro 70,176,000

Rome Chamber of Commerce

Economic and Administrative Index no.

0925733 Rome Registrar of Companies

Tax Code and VAT no. 05820021003

Management and Coordination: RAI-Radiotelevisione

Italiana SpA with offices in V.le Mazzini 14, Rome

www.raiway.it