



REMUNERATION REPORT

Prepared pursuant to Article 123-ter of Legislative Decree no. 58/1998

(This report was approved by the Board of Directors on 14 March 2019)

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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This report has been translated into English from the Italian original solely for the convenience of international readers.

Letter from the Chairman of the Remuneration and Appointments Committee (2019)

Dear Shareholders,

Together with Directors Joyce Victoria Bigio and Umberto Mosetti, as Chairman of the Remuneration and Appointments Committee which I have the honour of holding, I am very pleased to present the Remuneration Report for 2019. The objective of this document is to inform our stakeholders of our remuneration policies, defined in accordance with our strategies, the recommendations of the Corporate Governance Code and the best market practices.

The Remuneration Policy aims to support continuous and increasingly close alignment of the actions of management with the interests of shareholders, and within a general framework of transparency, meritocracy, competitiveness and equity at the corporate organizational level; these serve as central elements of the Remuneration Policy along with a focus on responsibility and sustainability of overall resolutions.

This perspective, without prejudice to the overall structure of substantial continuity with the Policy applied in 2018, has inspired certain changes with respect to the latter by operating with a view to consolidating and adapting the remuneration tools that are already present with a responsible, performance-oriented approach as well as with sustainability and increased appreciation from the market.

In particular, the following changes were made with respect to the 2018 Remuneration Policy: (i) in terms of terminology, a single term was used to describe "Executives with Strategic Responsibilities" without providing for the term "Senior Managers" within the latter; and (ii) with reference to the short-term variable component, and without prejudice to the "gate" for activation of the incentive system, the relevant percentage levels for determining the bonus were specifically revised.

With regard to the variable long-term component ("LTI"), and while reiterating the importance of this tool, analyses and in-depth studies continued during 2018 for the adoption of a potential model that is suitable for aligning top management actions with the creation of long-term value.

An additional significant activity of the Committee, when performing its functions as Appointments Committee, was the preparatory action for the adoption of a "Contingency plan" and an update of the Succession Plan.

The Board of Directors shared the content of the Rai Way Remuneration Policy, approving this Remuneration Report at the meeting on 14 March 2019, 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 2019 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 2018 to those to whom last year's Remuneration Plan applies.

We hope that, in this year as well, a careful and sustainable Remuneration Policy will be an important aid to achieving the Company's objectives and with a view to enhancing the contributions of corporate resources and at the same time the investment of shareholders.

On behalf of the other members of the Committee, I would like to thank you for your attention to this Report and for your approval of the 2019 remuneration policy illustrated herein.

Anna Gatti

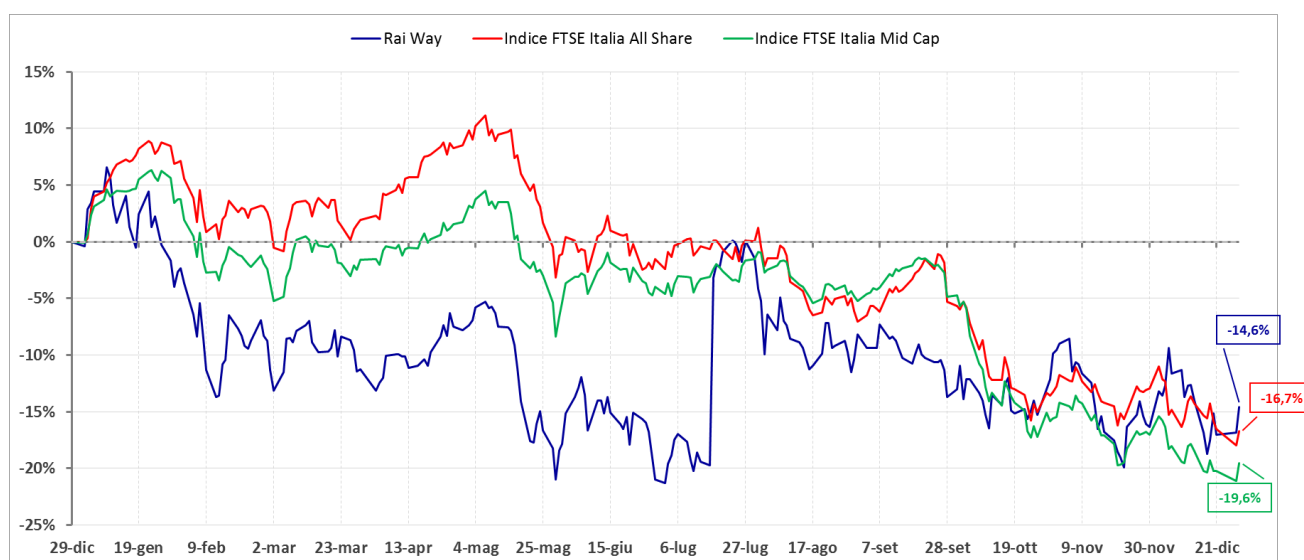
Chairman of the Remuneration and Appointments Committee

TOTAL SHAREHOLDER RETURN OF RAI WAY FROM THE IPO AS OF 31/12/2018

As of the date of the IPO (18 November 2014) until the end of 2018 Rai Way achieved a Total Shareholder Return (TSR) for its shareholders of 68% (47% net of the dividends and 21% 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 12% (-1% net of the dividends) and 53% (39% net of the dividends) respectively.

PERFORMANCE OF RAI WAY SHARES AND THE FTSE ITALIA ALL-SHARE and MID CAP INDEXES (IPO-31/12/2018)



FINANCIAL PERFORMANCE FROM THE IPO AS OF 31/12/2018

€ millions	IPO	2018	change %
Core earnings	207.4	217.7	+5.0%
Adj. EBITDA	105.1	118.3	+12.5%
EBIT	54.2	83.8	+54.7%
Net Profit	33.6	59.7	+78.0%

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

RAI WAY AND THE FINANCIAL MARKETS IN 2018

After two very positive years, the financial markets reversed their course in 2018 by reporting the first signs of a slowdown in the global economic recovery as well as certain contextual dynamics such as growing geopolitical and commercial tensions and political uncertainty, particularly at a European level.

The Italian stock market (FTSE Italia All-Share) closed 2018 with a negative performance of 16.7% (13.9% when considering the distribution of dividends), compared to the end of 2017, and with a significant deterioration in the second half of the year. Together with the aforementioned expectations of slowing growth at a global and national level, the significant increase in country risk affected the markets. The consequent repercussions on the spread (from 114bp at the end of 2017 to 254bp at the end of 2018, after having reached a peak of 327bp) have in fact negatively affected the prices of bank securities, the most representative ones within the list.

The Rai Way shares, listed on the Electronic Stock Exchange (“Mercato Telematico Azionario”) of Borsa Italiana from 19 November 2014, reported a negative performance of 14.6% during 2018 (10.6% when considering the distribution of the dividend), with performance that was slightly higher than the market. This performance was driven by the general market context and by the regulatory and consolidation dynamics within the sector. Rai Way closed 2018 with a Euro 1,179.1 million capitalization.

RELATIONS WITH SHAREHOLDERS AND THE FINANCIAL COMMUNITY IN 2018

Rai Way manages engagement activities with the financial community through the Investor Relations & Market Trends department. In 2018, activities were characterized by institutional roadshows with stops in Hong Kong, Singapore, Melbourne, Sydney, London and Milan as well as nine international conferences and numerous individual and group meetings, even through conference calls. Additional interactions with the market were the standard calls/meetings with sell-side analysts and four conference calls to present quarterly results. In conjunction with the latter, relations with shareholders provided for the continuous updating of the Investor Relations section of the website where documentation of interest to the financial community is published, including the online financial statements reporting annual company results.

INTRODUCTION

Key elements of the Remuneration Policy for 2019

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 the first section, an illustration of the Remuneration Policy adopted by the Company for the 2019 financial year for members of the corporate bodies (the Board of Directors and the Board of Statutory Auditors) and for Key Managers, which include the Chief Executive Officer and General Manager, and other management positions⁽²⁾ (Chief Business Development Officer, Chief Financial Officer and Manager in charge of preparing corporate accounting documents, Chief Human Resources Officer, Chief Technology Officer, Legal & Corporate Affairs and Board of Directors Secretary). In general, the Remuneration Policy for 2019 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.
- the second part, that provides a representation in a summarised descriptive form and in table form of the compensation due for 2018 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 2019

COMPLIANCE OF PERSONS INVOLVED IN THE REMUNERATION PROCESS

The Remuneration Policy, established in accordance with the requirements of law and the Company's Articles of Association, 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 Articles of Association, 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.

Upon proposal of the Remuneration and Appointments Committee, 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. 58/1998 (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.

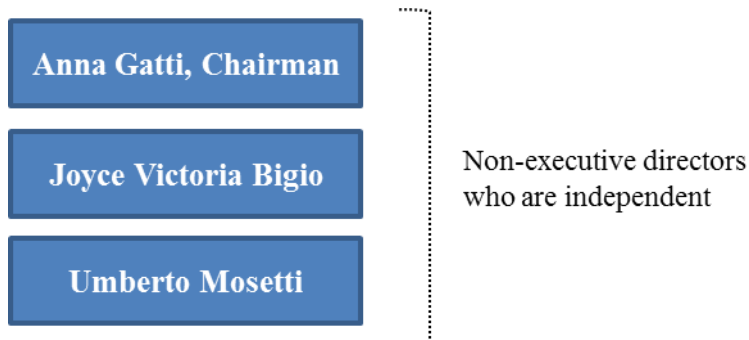
REMUNERATION AND APPOINTMENTS COMMITTEE

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;
- formulates proposals to the Board for the overall remuneration of the Chief Executive Officer and General Manager and for the determination of the criteria for the remuneration of other Key Managers, including those pertaining to the relative performance objectives correlated with the variable component of this 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:



⁽³⁾ It should be noted that the Committee for the entire financial year 2018 was composed of non-executive and independent directors in the persons of: Anna Gatti (Chairman) and Joyce Victoria Bigio as of the date of this Report as well as Donatella Sciuto. The latter was replaced as of 1 January 2019 by Umberto Mosetti, also an independent non-executive Director (having in turn replaced him in the Control and Risks Committee). Regarding the meetings of the Committee and the shares of its members, see the Report on Corporate Governance and Ownership Structure (year 2018) posted on the Company's website www.raiway.it, in the Governance/ Shareholders' Meetings/ Meetings/ Ordinary Meeting of 18 April 2019 section.

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.

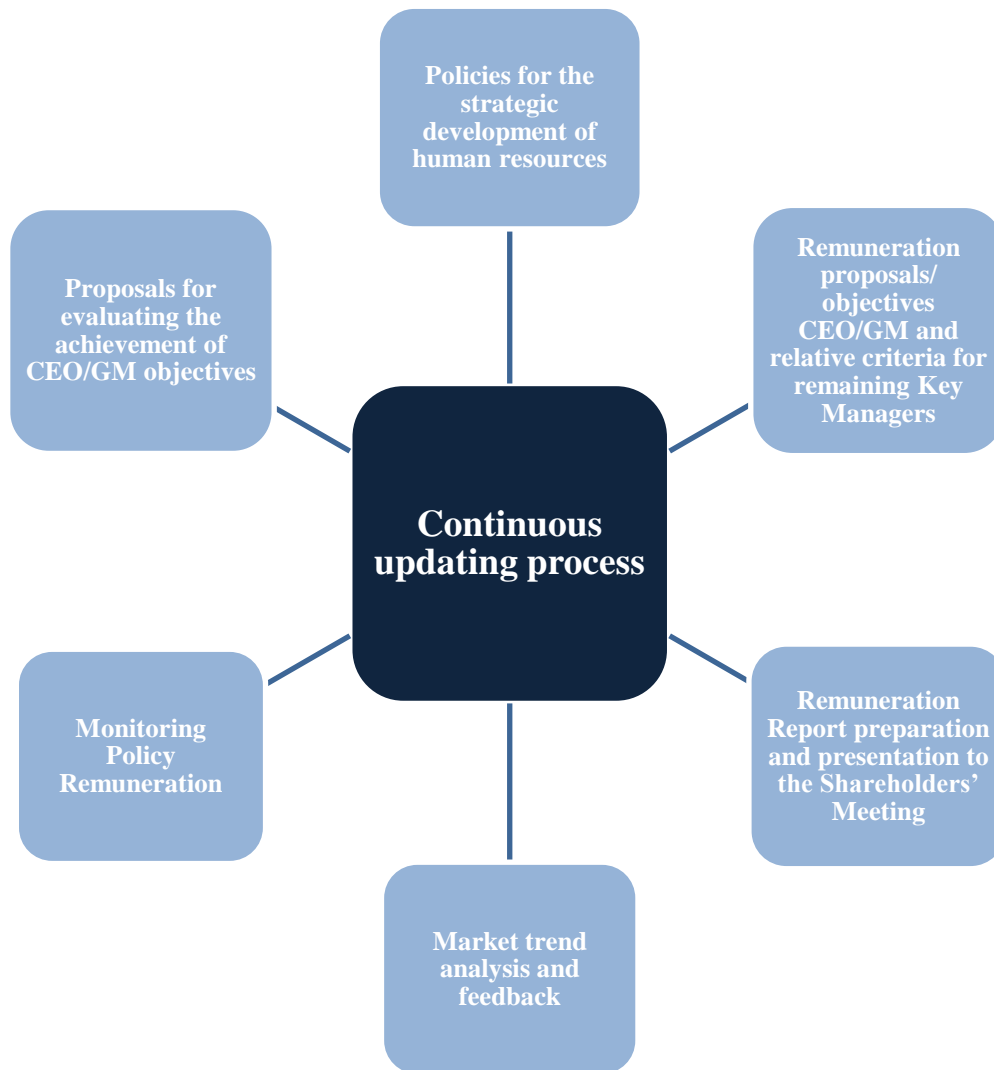
In performing its duties, the Remuneration and Appointments Committee may avail itself of the services of the Company's various functions as well as those of external consultants, at the Company's expense but within the limits of the budget established on an annual basis by the Board of Directors (currently Euro 50,000.00). 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 2019. As part of its activities, the Committee availed itself of the technical support of the Company's Chief Human Resources Officer as well as of external consultants. 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 2019 Remuneration Policy).

Whenever it considers it appropriate the Committee may from time to time invite other persons to its meetings, from within the Company, in relation to the company departments involved in the subjects under discussion, including the members of other committees set up within the Board of Directors, 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 (the Chairman receives Euro 15,000.00 and the other members of the Committee receive Euro 12,000.00) 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 the financial year 2019, consolidating the key principles of the Remuneration Policy adopted in the financial year 2018, specifically aims to attract, incentivize and motivate the human resources that are recruited to face new strategic and technological challenges.

On the basis of these 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** along with remuneration for the variable profile:
 - a) linked to evidence of the generation of added value, in accordance with the objectives approved by the Board of Directors and forecasted for 2019;
 - 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 account of the economic and financial dimension, market competition, technological innovation and constant development of corporate culture;

- **competitiveness** with remuneration levels to be found on the external market, by analysing the policies and practices of a person's principal national peers as a means of orienting and informing corporate decisions taken on the matter, even by taking overall consistency into account;
- **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, competencies, 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 motivate management.

The current remuneration position of the recipients of the Remuneration Policy is measured through benchmarks identified with the support of the consulting company Korn Ferry Hay Group and on the basis of the certified method adopted by the latter for internal consistency and competitive adjustment assessments, where necessary.

Short-term variable component

Purposes

With reference to the short-term incentive system, the variable component for 2019 is based on an annual horizon as a means of rewarding the achievement and surpassing of a combination of qualitative and quantitative objectives, which are the expression of the criteria set out by the Remuneration and Appointments Committee. This remuneration system measures incentive both in terms of contribution to the Company's economic and financial performance and for achievement of individual performance which is significant for the company's generation of value, defined as a capacity for innovation as well as organizational and strategic growth.

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.

Performance conditions

For 2019, 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 in particular on corporate performance expressed by the budgeted 2019 Adjusted EBITDA.

The attainment of the objectives is monitored during the year with reference to both overall results as well as verification of progress with respect to parameters identified for each role by the Remuneration and Appointments Committee for the Chief Executive Officer and General Manager as well as by the latter for the other Key Managers, with the support of the Chief Human Resources Officer who provides periodic evidence every four months on this performance. The Remuneration and Appointments Committee as well as the CEO and the General Manager express an opinion to the extent of its competence, providing any recommendations.

The actual Funding Pool (amount of financial resources to be dedicated to the short-term incentive system) is defined - while also having regard to a balance between allocated financial resources and selectivity in the valorisation of performance targets - during the financial year following that of reference, and following verification of the level of attainment of the approved objectives as well as the outcome of the approval of the financial statements. The Remuneration and Appointments Committee verifies the extent to which the CEO and the General Manager have reached their objectives and proposes assessments and the resulting determination of bonuses to the Board of Directors. The Chief Executive Officer and General Manager ascertain the level of achievement of the objectives of the remaining Key Managers and define the evaluation and consequent determination of the bonus, reporting the results with the Remuneration and Appointments Committee for the purposes of the relative verification. The final assessment of the objectives is also based on compliance with ethical and anti-corruption profiles. Any payments are made after the 2019 financial statements are approved and, in any case, in the first half of 2020.

Claw back

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

Key Managers are the recipient of the variable short-term component, which, as indicated above, includes the Chief Executive Officer and General Manager, the Chief Business Development Officer, the Chief Financial Officer and the Manager in charge of preparing the corporate accounting documents, the Chief Human Resources Officer, Chief Technology Officer, and the Legal & Corporate Affairs and Board of Directors Secretary

Long Term Incentive

The Company reiterates the importance of introducing a Long Term Incentive plan, which is moreover linked to the approval of a new multi-year Business Plan.

In this sense, the Company has defined certain primary elements of a project aimed at the potential adoption (following the approval of the new multi-year Business Plan) of a long-term incentive plan.

This 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 be based on financial instruments (in this case, a Shareholders' Meeting must be called for prior 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 (preferably hybrid or electric) and reimbursement of fuel expenses up to a maximum of 2,000 litres or the corresponding electrical charge per calendar year;
- (ii) insurance policies;
- (iii) supplementary pension fund.

These benefits are essentially in line with those for 2018, taking account of the kinds of insurance envisaged. Members of the Board of Directors and the Board of Statutory Auditors are not entitled to these non-monetary benefits (noting that the CEO is entitled to these benefits given his managerial capacity within the Company), with the exception of insurance coverage for damages from civil liabilities associated with their office.

SUMMARY OVERVIEW (KEY MANAGERS)

SUMMARY FRAMEWORK		
Component	Purposes and characteristics	Implementation conditions
<i>Fixed remuneration</i>	Recognise 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 certified methodology updated to reflect assessments of consistency and competitive adjustment.
<i>Short-term monetary incentives</i>	Encourages the achievement of annual economic/financial objectives, and qualitative-quantitative objectives for the role	<p>The short-term variable component provides for an annual bonus shown as a percentage of the fixed remuneration based on the extent that the objectives are reached.</p> <p>The valuation of the bonus is correlated to the level of achievement of the expected result:</p> <ul style="list-style-type: none"> - Quantitative objectives: <u>minimum level</u>: 35% of the annual gross basic salary for the Chief Executive Officer and General Manager, 25% for the Chief Financial Officer and 20% for the remaining Key Managers; <u>target level</u>: 50% of the annual gross basic salary for the Chief Executive Officer and General Manager, 40% for the Chief Financial Officer and 30% for the other Key Officers. <p>A linear interpolation method is used for the recognition of the intermediate values.</p> <ul style="list-style-type: none"> - Qualitative objectives: <u>target level</u>: 50% of the annual gross basic salary for the Chief Executive Officer and General Manager, 40% for the Chief Financial Officer and 30% for the remaining Key Managers. <p>A measurement scale is used for the assessment of the results which refers to a maximum of five assessment levels.</p>
<i>Benefits</i>	They are an integral part of the “remuneration package” and are characterised by their mainly 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 of the Company:</p> <ul style="list-style-type: none"> (i) use of a company car (preferably hybrid or electric) and reimbursement of fuel expenses up to a maximum of 2,000 litres or the corresponding electrical charge per calendar year; (ii) registration in the health plan fund (FASDIR); (iii) company contribution to the complementary pension fund (FIPDRAI).
<i>Long-term incentive (LTI)</i>	Encourages the achievement of long-term economic/financial objectives	<p>The Company reiterates the importance of introducing a Long Term Incentive plan, linked to the approval of a new multi-year Business Plan.</p> <p>In this sense, the Company has defined certain primary elements of a project aimed at the potential adoption of a long-term incentive plan.</p> <p>This 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 be based on financial instruments (in this case, a Shareholders’ Meeting must be called for prior approval based on the requirements of applicable laws and regulations).</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 475,000.00 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's Articles of Association.

To this regard, the Board of Directors subsequently deliberated in favour of the following breakdown of the annual compensation (in the context of the aforementioned total amount, except as provided - in continuity with the 2018 financial year - for the CEO):



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 23 April 2018 – which approved the appointment of the Board of Statutory Auditors for fiscal years 2018-2020 and accordingly up until the Shareholders' Meeting approving the financial statements for the last of the three years - in the amount of Euro 40,000.00 for the Chairman and Euro 25,000.00 for each standing Auditor. No variable components of remuneration, bonuses, attendance fees or other incentives are envisaged, including non-monetary benefits, with the exception of insurance coverage for damages from civil liabilities associated with their office. The standing statutory auditor Maria Giovanna Basile will be paid an annual gross compensation of Euro 15,000.00 for the role of member of the Company's Supervisory Body, in compliance with Legislative Decree no. 231/2001.

Auditors 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 member of the Board of Statutory Auditors envisaging indemnities, including of an insurance nature, payable on the early termination of the relationship.

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

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

- Chief Executive Officer and General Manager⁽⁴⁾;
- *Chief Business Development Officer;*
- *Chief Financial Officer and Manager in charge of preparing the corporate accounting documents;*
- *Chief Human Resources Officer;*
- *Chief Technology Officer;*
- *Legal & Corporate Affairs and Board of Directors Secretary.*

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 the above regarding the adoption - following the formal approval of the long-term Business Plan - of a potential long-term incentive plan). 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 (short term incentive system) provides for an annual value of the bonus - structured as reported in the table below - as a percentage of the gross fixed remuneration

⁽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 title of General Manager.

based on the level of achievement of the assigned objectives; for each of the latter, a target level is defined with assessment of intermediate levels.

In particular, each objective is measured individually, with the consequent possibility of different combinations in the mix in relation to the actual level achieved with respect to the expected result and the correlated modulation of the bonus within realm of values included between the level of non-achievement and the value corresponding to the target; for assessment of the intermediate values up to the target level, the application of a linear interpolation method is confirmed (in continuity with respect to the 2018 financial year and for which greater detail is provided in the table below) ⁽⁵⁾.

In particular, and without prejudice to the maintenance of the system and levels already provided for in the 2018 Remuneration Policy in terms of the value of the incentive as a percentage of fixed remuneration with reference to the Chief Executive Officer and General Manager, it should be noted - in relation to the objectives and the corresponding assessment of the intermediate levels of performance, and within the framework of continuation of the path taken to develop a participatory model of leadership, oriented towards skills and innovation, with a focus on functional qualitative performance - that the configuration of the system for evaluation of expected qualitative results has been expanded, with a provision for a corresponding value of the incentive in % with respect to annual gross remuneration ("AGR") of between 0% and 40% for the Chief Financial Officer and between 0% and 30% for the other Key Managers; the evaluation system and the corresponding bonus determination at the minimum level for the quantitative objectives linked to economic-financial factors remains unchanged. In detail:

- with regard to the quantitative objectives, an annual value of the bonus is provided for and structured as a percentage of the AGR based on the level of achievement of the objectives, and for each of which a minimum and target level is defined, with assessment of intermediate levels. Specifically, the evaluation of the bonus linked to the quantitative objectives is correlated to the achievement level of the result, as illustrated below:
 - minimum level: 35% of the AGR for the Chief Executive Officer and General Manager, 25% for the Chief Financial Officer and 20% for the remaining Key Managers;
 - target level: 50% of the AGR for the Chief Executive Officer and General Manager, 40% for the Chief Financial Officer and 30% for the remaining Key Managers;
 - for the recognition of the intermediate values between the minimum and maximum level, application of a linear interpolation method is confirmed;
- with regard to the qualitative objectives, there is no remuneration threshold associated with the achievement of a predefined minimum level. Remuneration of the qualitative objectives is correlated to the progressive level of achievement of each objective, included between 0% (objective not attained) and, in case of full achievement of the objective, 50% of the AGR for

⁽⁵⁾It should be noted that the Remuneration Policy for 2018 provided differently (i) in the case that all the objectives are reached at the minimum level, a percentage of 35% for the Chief Financial Officer as well as the Manager responsible for preparing the corporate accounting documents and the Chief Human Resources Officer ("Senior Managers") and 20% for other Key Managers; (ii) in the case of achievement of objectives at an intermediate level between 35% and 50% for Senior Managers and between 20% and 30% for all other Key Managers; and (iii) if all target objectives are reached, a percentage of 30% for all other Key Managers. It should also be noted that the 2018 Remuneration Policy also provided for the incentive system to be activated upon attainment of quantitative or qualitative objectives, assessed separately with respect to each beneficiary. A variable annual short-term component, in continuity with 2018, is also envisaged for remaining corporate management.

the Chief Executive Officer and General Manager, 40% for the Chief Financial Officer and 30% for other Key Managers. A measurement scale is used for the assessment of the results which refers to a maximum of five assessment levels.

Below is a summary table of the incentive system with reference to the achievement of the quantitative objectives:

QUANTITATIVE OBJECTIVES	CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER	OTHER KEY MANAGERS
Performance Level	Incentive as a % of fixed remuneration	Incentive as a % of fixed remuneration
All non-attained objectives	0%	0%
Objectives reached at the minimum level	35%	25% for the Chief Financial Officer and 20% for the remaining Key Managers
Intermediate objectives achieved (as a combination of results for individual objectives assigned or within the single objective)	Between 35% and 50% (excluded)	Percentage between 25% and 40% (excluded) for the Chief Financial Officer and between 20% and 30% (excluded) for the remaining Key Managers
All objectives at target level	50%	40% for the Chief Financial Officer and 30% for the remaining Key Managers

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 individual performance of each Key Manager 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 2019 are set.

Any bonus payments are made after the 2019 financial statements are approved and, in any case, in the first half of 2020.

With regard to non-monetary benefits (“Benefits”) recognized to Key Management, reference is made to what has already been indicated on page 14.

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 2018 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 2018:

- with regard to the Board of Directors - since the Shareholders' Meetings of 28 April 2017 passed a 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 Articles of Association and 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 Boards 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;
- 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.

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

With reference to the 2018 financial year, it should be initially noted that the Shareholders' Meeting of 23 April 2018 - which approved the appointment of the Board of Statutory Auditors for the financial years 2018-2020 and therefore until the Shareholders' Meeting for the approval of the financial statements for the last financial year - established a gross annual remuneration of Euro 40,000.00 for the Chairman and Euro 25,000.00 for each Standing Auditor while, up to that date, the gross compensation established for the members of the Board of Statutory Auditors expiring with the aforementioned Shareholders' Meeting was equal to 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. The standing auditor Maria Giovanna Basile was also recognized a gross compensation of Euro 6,583.33 for the role of member of the Company's Supervisory Body, in accordance with Legislative Decree no. 231/2001 and starting as of 23 July 2018 (based on a gross annual compensation of Euro 15,000.00).

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 ⁽⁶⁾

The Chief Executive Officer and General Manager Aldo Mancino earned, for 2018, a fixed gross annual fee totalling Euro 350,804.90, of which:

- Euro 250,804.90 for the managerial position at the Company with role of General Manager;
- Euro 44,100.00 as gross compensation for the position of Director;
- Euro 55,900.00 as gross compensation for the position of Chief Executive Officer.

Consistently with the relative policy, the total fixed gross annual remuneration paid to the rest of Key Management was equal to Euro 883,312.42.

The following amounts were granted as the short-term variable component of remuneration based on the Principles and Guidelines of the 2018 Remuneration Policy:

- Chief Executive Officer and General Manager: Euro 141,910.73;
- Other Key Managers: Euro 331,639.90.

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

The non-monetary benefits paid to the Chief Executive Officer and General Manager in relation to the managerial position held at the Company and to other Key Managers consisted of:

- (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 Key Managers envisaging indemnities, including of an insurance nature, payable on the early termination of the relationship.

Rome, 14 March 2019

On behalf of the Board of Directors The
Chairman
Raffaele Agrusti

⁽⁶⁾These remaining positions of Key Manager correspond to those of Chief Business Development Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Technology Officer and Legal & Corporate Affairs and Board of Directors Secretary. It should be noted that - in the 2018 Remuneration Report - the positions of Chief Executive Officer and General Manager, Chief Financial Officer, Chief Human Resources Officer were indicated, in the broader sphere of Executives with Strategic Responsibilities, as "Senior Managers".

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 2018

FIRST NAME AND LAST NAME	OFFICE	REFERENCE PERIOD 2018	EXPIRATION OF MANDATE	FIXED COMPENSATION	COMPENSATION FOR COMMITTEE PARTICIPATION	NON-MONETARY BENEFITS (1)	NON-EQUITY VARIABLE COMPENSATION	OTHER COMPENSATION	END-OF-MANDATE OR TERMINATION OF EMPLOYMENT	TOTAL	
							<i>Bonuses and other incentives</i>	<i>Profit participation</i>			
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	44,100.00						44,100.00	
ALDO MANCINO (*)	CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	350,804.90		4,602.18	141,910.73			497,317.81	
JOYCE VICTORIA BIGIO (a)	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	44,100.00	12,000.00					56,100.00	
FABIO COLASANTI (b)	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	44,100.00	12,000.00					56,100.00	
ANNA GATTI (c)	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	44,100.00	15,000.00					59,100.00	
UMBERTO MOSETTI (b)	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	44,100.00	12,000.00					56,100.00	
DONATELLA SCIUTO (a)	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	44,100.00	12,000.00					56,100.00	
GIAN PAOLO TAGLIAVIA (*)	DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	44,100.00						44,100.00	
PAOLA TAGLIAVINI (d)	DIRECTOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2019	44,100.00	15,000.00					59,100.00	
SILVIA MUZI (**)	CHAIRMAN BOARD OF STATUTORY AUDITORS	23.04 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2020	27,444.44						27,444.44	
MARIA GIOVANNA BASILE (***)	STANDING AUDITOR	01.01 - 31.12	Date of the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2020	28,138.89				6,583.33		34,722.22	
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 2020	23,430.56						23,430.56	
OTHER KEY MANAGERS				883,312.42		20,853.80	331,639.90			1,235,806.12	
TOTAL				1,665,931.21	78,000.00	25,455.98	473,550.63	0,00	6,583.33	2,249,521.15	

1.2 Compensation of members of management and control bodies who resigned prior to the end of 2018

FIRST NAME AND LAST NAME	OFFICE	REFERENCE PERIOD 2018	EXPIRATION OF MANDATE	FIXED COMPENSATION	COMPENSATION FOR COMMITTEE PARTICIPATION	NON-MONETARY BENEFITS	NON-EQUITY VARIABLE COMPENSATION	OTHER COMPENSATION	END-OF-MANDATE OR TERMINATION OF EMPLOYMENT	TOTAL
							<i>Bonuses and other incentives</i>	<i>Profiti participation</i>		
GIOVANNI GALOPPI (*****)	STANDING AUDITOR	01.01- 23.04		6,277.78						6,277.78

(^) Including Euro 44,100.00 as gross remuneration for the position of Director, Euro 55,900.00 as gross compensation for the position of Chief Executive Officer and Euro 250,804.90 in relation to the executive position held at the Company as General Manager.

(*)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.

(**) The amount of Euro 27,444.44 - as gross remuneration for the position of Chairman of the Board of Statutory Auditors for the period from 23 April to 31 December 2018 - was re-calculated *pro quota* based on the sum of Euro 40,000.00 which is envisaged on an annual basis.

(***) Including Euro 10,986.11 as gross remuneration for the position of Chairman of the Board of Statutory Auditors, held from 1 January to 23 April 2018 (amount re-calculated *pro quota* based on the sum of Euro 35,000.00 provided for a year) and Euro 17,152.78 as gross remuneration for the position of Standing Auditor (amount re-calculated *pro quota* based on the sum of Euro 25,000.00 provided for a year). The amount of Euro 6,583.33, indicated under the item "Other Remuneration" refers to gross compensation as a member of the Supervisory Body for the period 23 July - 31 December 2018 (amount re-calculated *pro quota* based on the sum of Euro 15,000.00 envisaged for a year).

(****) Including Euro 6,277.78 as gross remuneration for the position of Standing Auditor (amount re-calculated *pro quota* based on the sum of Euro 20,000.00 envisage for a year and relative to the period from 1 January to 23 April 2018), Euro 17,152.78 as gross remuneration for the position of Standing Auditor (amount re-calculated *pro quota* based on the sum of Euro 25,000.00 envisaged on an annual basis and approved by the Shareholders' Meeting of 23 April 2018 for the period from 23 April 2018 to 31 December 2018).

(*****) The amount of Euro 6,277.78 as gross remuneration for the position of Standing Auditor was re-calculated *pro quota* based on the sum of Euro 20,000.00 which is envisaged on an annual basis.

(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 5,164.00 per year) as a component of remuneration. This option was exercised by the Chief Executive Officer in his capacity as General Manager and by four Key Managers (with the resulting remuneration components in the reference period included in the fixed compensation received being Euro 4,602.18 and Euro 20,853.80 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
- (d) = Chairman of the Control and Risks 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 2018

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 2018
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	9,770		3,521	6,249
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				
Silvia Muzi (*)	Chairman Board of Statutory Auditors	Rai Way SpA				
Maria Giovanna Basile (**)	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 2018.

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
Giovanni Galoppi (***)	Standing Auditor	Rai Way SpA				

(*) In office as Chairman of the Board of Statutory Auditors from the Shareholders' Meeting of 23 April 2018. 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 Chairman of the Board of Statutory Auditors until the Shareholders' Meeting of 23 April 2018. Has held the office of Standing Auditor as of that date.

(***) In office as Auditor up until the Shareholders' Meeting of 23 April 2018. The information provided in the column on the number of shares owned is therefore as at the resignation date.

Table 2.2: Investments of other Key Managers as of 31 December 2018

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 2018
1	Rai Way SpA	2,200			2,200