



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 2016)

Rai Way S.p.A.

Registered office Via Teulada 66, Rome, Italy

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

Fully paid-up share capital: Euro 70,176,000.00

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

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Letter from the Chairman of the Remuneration and Appointments Committee

Dear Shareholders,

I am pleased to set out for your information the guidelines underlying the remuneration policy adopted by Rai Way S.p.A. for 2016, which in the view and commitment of the Remuneration and Appointments Committee is a key tool for ensuring the commitment of Senior Management and the Company's managers given the levels of technical and managerial excellence they are capable of expressing. The policy has been prepared on the basis of the strategic objectives detailed in the 2015-2019 Business Plan.

This approach, obviously complementary to that of supporting the creation of value and the satisfaction of your expectations as well as the sustainability of the Company's results, has inspired the setting up of a remuneration model whose architecture is essentially unchanged from that of 2015, which as you will recall was the first year in which the Company prepared a remuneration policy following the listing of its shares on the stock exchange. The 2016 remuneration policy contains elements of an evolutionary nature, linked to the even more challenging undercurrent of corporate performance objectives, and those based on an approach to the future, based on the possibility of implementing a long-term incentive plan in 2016 that is geared towards rewarding persons reaching objectives that are set for a more extended period and are based on sustainable growth, consistent with the interests of the Shareholders, as well as on the retention of personnel considered to be key for the Company.

The guidelines for development set out in the Business Plan are known, namely consolidation of the Company's leadership position, extension of the offer for the Rai Group, diversification of the service offer and improvement of operating efficiency.

More specifically, after referring to the key points inspiring the remuneration policy in the value system and corporate action in terms of competitiveness with respect to best market practices, consistency with ethical principles and those of compliance in a legislative and regulatory situation, as well as giving value to merit and transparency, the Board of Directors and the Remuneration and Appointments Committee's intention is to gear the system of remuneration for 2016 towards highly integrated objectives that are consistent with the other goals, recalled above, based on the evolution of the business within the scenario of the Business Plan.

We believe that the 2016 remuneration policy represents a further step towards supporting the alignment of management to expectations, in the process of change in course that adds value and integrates the cultural and organizational connotation focused on the institutional dimension with the competitive market-based dimension.

Confident that you will be in agreement with the system and the criteria underlying the 2016 Remuneration Policy, I would also like to thank you in the name of the other members of the Committee, Joyce Victoria Bigio and Fabio Colasanti.

Anna Gatti

Chairman of the Remuneration and Appointments Committee

SECTION I – REMUNERATION POLICY FOR 2016

INTRODUCTION

Key elements of the Remuneration Policy for 2016

In accordance with current provisions in its first section this Remuneration Report sets out the remuneration policy adopted by Rai Way S.p.A. (“**Rai Way**” or the “**Company**”) for 2016 for the members of the corporate bodies (the Board of Directors and the Board of Statutory Auditors) and for Key Managers, who include Senior Management (the Managing Director in his capacity as Head of Strategy, the Director General and the Chief Financial Officer and Manager in charge of preparing the corporate accounting documents, with the inclusion, for 2015, of the Chief Human Resources Officer considering the organizational weight assumed by the position) and other managerial positions ⁽¹⁾.

As a general rule the aim of the Remuneration Policy for 2016, which is essentially in line with the key principles that inspired the remuneration system applicable to 2015, the first full year following the start of trading of the Company’s shares on the Electronic Stock Exchange organized and managed by Borsa Italiana S.p.A. (hereafter the “Listing”), is to reflect Rai Way’s strategic and business objectives and assist the Company in achieving them, seeking to align management’s interests with the generation of value for shareholders within a reference framework of consistency and equity at a corporate organizational level, the enhancement of merit in terms of rewarding the achieved results and qualitative performance – consistent with the challenges and opportunities set out for the current year in the Business Plan - and competitiveness with respect to best market practices.

Translating this to an operational level and making a comparison with 2014, the Remuneration Policy is characterized by the consolidation of the short-term Management by Objectives (MBO) variable system. In addition, again as part of the variable remuneration system, the Company is currently assessing the possibility of implementing a long-term incentive plan, maybe during 2016, to be reserved for Key Managers and possibly other persons working within the Company’s sphere, linked to objectives included in the 2015-2019 Business Plan approved on 28 September 2015 and having as its aim the rewarding of the achievement of long-term objectives geared to the generation of value and sustainable growth, consistent with shareholders’ interests, and retaining key personnel. This component of remuneration, where implemented and without altering the need to create a structure suitable for ensuring an adequate balance between the fixed and variable components of total remuneration, may take monetary form or may also be based on financial instruments (in this case the need will arise to call a Shareholders’ Meeting for approval on the basis of the requirements of applicable laws and regulations), allowing the beneficiaries to participate even further in the effective creation of the Company’s value.

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

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

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 shareholders 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.

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, Deputy Chairman, Managing Director and, in general, directors assigned special duties, in accordance with paragraph 3, article 2389 of the Italian civil code.

The Shareholders' Meeting also approves the compensation to be received by the Members of the Control and Risks Committee and the Remuneration and Appointments Committee.

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 the Directors – including the Chairman and, where appointed, the Deputy Chairman – the Managing Director and other Key Managers. The remuneration policy is then submitted to a non-binding vote of the Ordinary Shareholders' Meeting pursuant to paragraph 6, article 123-ter 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 Managing Director, the Director General 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, the 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 Managing Director, the Director General 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.

The Committee consists of three non-executive directors who are independent (from a legal standpoint and with respect to the Corporate Governance Code):

Anna Gatti (Chairman)
Joyce Victoria Bigio
Fabio Colasanti

On the basis of the duties which are its responsibility, the Remuneration and Appointments Committee may avail itself of the services of the Company's various functions as well as those of external consultants, at the Company's expense but within the limits of the budget established on an annual basis by the Board of Directors (currently Euro 50,000). Whenever it intends to use the services of a consultant in order to obtain information on market practice for remuneration policies, the Committee checks in advance that it will not find itself in situations that may impair the independence of any opinion.

The Remuneration and Appointments Committee has performed the envisaged activities relating to the submission of proposals to the Board of Directors concerning the remuneration policy for 2016. 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 regulatory provisions, Directors may not attend meetings of the Committee at which proposals to be submitted to the Board of Directors regarding their own specific remuneration are to be reviewed and drawn up.

During 2016 the Committee plans to further use the services of the consulting firm Korn Ferry Hay Group (formerly the Hay Group), having checked that its independence has been maintained, in order to structure analyses for assessing the remuneration models to be found in the Company's reference markets, with specific regard to long-term incentive plans (neither the consulting firm indicated nor any other independent experts were used for drawing up the 2016 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 business functions and organizations involved in the subjects under discussion, including the 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 (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 2016, consolidating the key principles included in the Remuneration Policy adopted for 2015, is tied to the strategy and targets developed for the year in the 2015-2019 Business Plan to ensure convergence on the building of a relationship based on the widest possible transparency, responsibility and protection vis-à-vis the Company's stakeholders.

More specifically, Rai Way's remuneration system should be understood as a talent management model acting as a challenge for attracting, incentivizing and motivating the strategic resources called on to provide a critical contribution based on the evolutionary guidelines of the Business Plan involving consolidation of the Company's leadership position, extension of the services provided for the Rai Group, diversification of the service offer and improvement of operating efficiency.

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

- **selectivity of the beneficiaries and internal consistency** with respect to positions, spheres of responsibility and duties performed;
- **competitiveness** with remuneration levels to be found on the external market, by analyzing the policies and practices of a person's principal national and international peers as a means of orienting and informing corporate decisions taken on the matter;
- **correlation with the Company's strategies and principles**, with remuneration for the variable profile:
 - a) linked to evidence of the generation of value added compared to the budgeted levels expected for 2016 and approved by the Company's Board of Directors, with an emphasis on the challenging profiles involving the "gate" mechanism and the reference parameters of the objectives;
 - 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, the competitiveness dimension, the internal process efficiency and innovation dimension and the social dimension;
- **compliance with the regulatory perimeter and reference to best market practices** (the remuneration policies of specific companies have not, however, been used as a reference for establishing the Company's remuneration policy).

The following is provided as a means of providing 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 it is planned to update this during 2016 by way of assessments of its consistency and competitiveness, with an orientation tending towards aligning the individual level of remuneration to the median of the reference market and graduate 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

The variable component in the MBO system is based on an annual horizon as a means of remunerating a combination of qualitative and quantitative objectives when reached, which translate the criteria set out by the Remuneration and Appointments Committee, with the support of the Human Resources Officer. This remuneration system links the incentive to the performance of both the Company – with reference to the expectations of the Business Plan – and the individual, measured in the following terms: economic and financial, development of the 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), innovation concerning processes and competitive services, and consideration of the social and environmental effect of corporate strategies.

The development of the system includes, among other things, the introduction of compliance elements, including profiles of ethicality and compliance with provisions concerning anti-corruption laws and regulations and the provision of indicators to assess the performance resulting from the risk management strategy established at a corporate level.

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

In 2016 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, which however took on a more challenging approach over 2015. More specifically, the “gate” set up is based on improving the «*EBITDA- maintenance Capex*» threshold by 2.5% over the 2016 budget (compared to 1.5% for 2015).

The trend 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 the trend in this respect on at least a four-monthly basis at the 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 reaching the actual amount pre-established at the “gate” level. 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.

Payment if any will be made in the first half of 2017.

No bonus will be paid in the case of willful 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 nature⁸

due to willful misconduct or gross negligence, within the sphere of the applicable legal and contractual obligations.

As stated, Key Managers are the beneficiaries of the short-term variable component, and as indicated above these include Senior Management (the Managing Director and Head of Strategy, the Director General, the Chief Financial Officer and Manager in charge of preparing the corporate accounting documents and the Chief Human Resources Officer), as well as the other managers who have been identified in the organizational structure approved by Rai Way's Board of Directors following the Listing as holders of the following organizational positions: "Legal and Corporate Affairs and Secretariat to the Board of Directors", "Local Area Management", "Engineering", "Commercial development, RAI contract and property enhancement".

Non-monetary benefits

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

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

These benefits are essentially in line with those for 2015, 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 Managing Director is entitled to these benefits in his managerial capacity as Head of Strategy).

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

PERSONS TO WHOM THE REMUNERATION POLICY APPLIES

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

On 18 September 2014 and 6 October 2014 the Shareholders' Meeting adopted resolutions establishing, from the Listing date, the payment of a gross annual fee of Euro 50,000.00 to each member of the Board of Directors plus a gross annual amount of Euro 15,000.00 for each Chairman of an Advisory Committee and a gross annual amount of Euro 12,000.00 for each independent director who is a member, but not Chairman, of an Advisory Committee, thereby assigning to the Board of Directors as a whole total gross annual fees of a maximum of Euro 404,000.00, without prejudice to the faculties available to the Board of Directors as per paragraph 3, article 2389 of the Italian civil code.

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

The Director Nicola Claudio is party to a permanent employment relationship as manager with RAI - Radiotelevisione italiana S.p.A. (hereafter also "Rai"), and pays over his fees to the Parent Company.

Other than the Managing Director - in his capacity as Head of Strategy for which he is employed as a Company manager - the 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 are also no agreements between Rai Way and the members of the Board of Directors envisaging indemnities in the case of termination of the relationship in addition to those provided by law and/or any applicable collective labor agreement (in the event of a separate employment relationship).

The annual gross fees of the Board of Statutory Auditors, which up until 11 March 2015 also acted as the Supervisory Body pursuant to Legislative Decree no. 231/2001, were set by the Shareholders' Meeting of 28 April 2015 – which approved the reappointment of the board for fiscal years 2015-2017 and accordingly up until the Shareholders' Meeting approving the financial statements for the last of the three years - in the amount of Euro 35,000.00 for the Chairman and Euro 20,000.00 for each standing auditor. Other than any changes that may be made to those fees, no variable components of remuneration, bonuses, attendance fees or other incentives are therefore envisaged. Statutory auditors who are not resident in Rome are entitled to receive reimbursement for any board and lodging and travel expenses they may incur for performing their duties.

Remuneration Policy for the Managing Director as Head of Strategy, the Director General and other Key Managers

A. SENIOR MANAGERS

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

- the Managing Director, Stefano Ciccotti, who from the date of the Listing is also party to an employment contract with Rai Way as Head of Strategy;
- the Director General, Aldo Mancino;
- the Chief Financial Officer and Manager in charge of the corporate accounting documents, Adalberto Pellegrino;
- the Chief Human Resources Officer, Stefania Cinque.

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

The fixed and variable components of each remuneration package comply with the principles set out in the previous paragraph *Principles and Guidelines of the Remuneration Policy*.

In detail, the short-term variable component (MBO) provides for an annual bonus as shown in the table below payable as a percentage of the fixed remuneration based on the extent that the objectives are reached, for each of which a minimum level and target is established, with the recognition of intermediate levels. More specifically, each objective is measured individually, with the resulting possibility of different combinations in the overall mix depending on the actual level achieved compared to the expected result and correlated modulation of the bonus within the range of amounts included between that corresponding to the minimum (35% of fixed remuneration) and that corresponding to the target (50% of fixed remuneration); linear interpolation is then used to determine the intermediate levels between the minimum and maximum (compared to the method adopted in 2015 of having only two thresholds, relative to the level of performance achieved).

SENIOR MANAGERS

Performance	Incentive as a % of fixed remuneration
Below the minimum	0%
All objectives at the minimum level (Reaching 70% for each objective)	35%
All objectives at the target level (Reaching 100% for each objective)	50%

Given the above general line of having an increasingly challenging system, a “gate” is envisaged based on a 2.5% increase of the «EBITDA-maintenance Capex» level compared to 2016 budget. In addition, the system is activated when two quantitative and role-qualitative objectives reach the minimum level (of which one with greater weight in the objectives mix), together with the “gate” (which also constitutes a quantitative objective suitably detailed in the minimum amount and budgeted target and in the weight within the objectives mix, depending on the role).

Comparing with the 2015 system, the individual performance of each member of Senior Management continues to be structured on the basis of individual objectives, with the relative Key Performance Indicators (“**KPIs**”), that take account of the following dimensions: economic and financial, competitiveness, internal processes (including profiles of ethicality and compliance with provisions concerning anti-corruption laws and regulations and an assessment of the performance linked to risk management strategy established at a corporate level), innovation, apprehension and the social dimension, differing on the basis of the various skills and operational areas of the beneficiaries and detailed consistent with the strategic prospects included in the 2015-2019 Business Plan. The weight of the objectives within the qualitative/quantitative mix has been redistributed compared to 2015 as follows, to emphasize a positive appraisal of the results achieved for the role (²).

Managing Director as Head of Strategy	
Objective	Weight
EBITDA – maintenance CAPEX	60%
INCREASE IN THIRD PARTY REVENUES AND EVOLUTIVE SERVICES FOR RAI	20%
EVOLUTIVE BUSINESS DRIVERS AND ORGANIZATIONAL DEVELOPMENT	20%

Director General	
Objective	Weight
EBITDA – maintenance CAPEX	50%
INCREASE IN THIRD PARTY REVENUES AND EVOLUTIVE SERVICES FOR RAI	30%
EFFECTIVENESS AND EFFICIENCY OF BUSINESS PROCESSES	20%

CFO – Manager in charge of the corporate accounting documents ⁽³⁾	
Objective	Weight
EBITDA – maintenance CAPEX	40%
OPERATING COSTS (*)	30%
EFFECTIVENESS AND EFFICIENCY OF ECONOMIC AND FINANCIAL PROCESSES	30%

(*) Refers to Opex, excluding personnel costs

CHRO	
Objective	Weight
EBITDA – maintenance CAPEX	40%
PERSONNEL COSTS (**)	30%
ENHANCEMENT OF CORPORATE IDENTITY AND CULTURE, EVOLUTIVE ORGANIZATION AND MANAGING THE CORPORATE CLIMATE	30%

(*) Excludes capitalizations and the funding of the MBO system

(2) In compliance with the Corporate Governance Code for listed companies the incentive mechanism for the Manager in charge of the Company's Internal Auditing function is consistent with the duties assigned to him – even though this position does not form part of the category of Key Managers.

(3) The incentive mechanisms for the Manager in charge of preparing the corporate accounting documents (who is also the Chief Financial Officer) are also consistent with the duties assigned to him.

The non-monetary benefits for the Senior Managers are represented by: (i) use of a company car and reimbursement of fuel expenses up to a maximum of 2,000 liters per calendar year; (ii) insurance policies; (iii) supplementary pension fund.

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

B. OTHER KEY MANAGERS

Other Key Managers have been identified in the organizational structure approved by Rai Way's Board of Directors following the Listing as holders of the following organizational positions:

- Legal and Corporate Affairs and Secretariat to the Board of Directors
- Local Area Management
- Engineering
- Business development, market and Rai

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

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

In detail, the short-term variable component (MBO) provides for an annual bonus as shown in the table below payable as a percentage of the fixed remuneration based on the extent that the objectives are reached, for each of which a minimum level and target is established, with the recognition of intermediate levels. More specifically, each objective is measured individually, with the resulting possibility of different combinations in the overall mix depending on the actual level achieved compared to the expected result and correlated modulation of the bonus within the range of amounts included between that corresponding to the minimum (20% of fixed remuneration) and that corresponding to the target (30% of fixed remuneration); linear interpolation is then used to determine the intermediate levels between the minimum and maximum (compared to the method adopted in 2015 of having only two thresholds, relative to the level of performance achieved).

OTHER KEY MANAGERS

Performance	Incentive as a % of fixed remuneration
Below the minimum	0%
All objectives at the minimum level (Reaching 70% for each objective)	20%
All objectives at the target level (Reaching 100% for each objective)	30%

The variable incentive system is structured so that the objectives of Senior Management and other Key Managers are directed in an integrated manner towards achieving the objective of improving overall profitability, expressed by the KPI «EBITDA-maintenance Capex» (increase of 2.5% over the 2016 budget). In addition, the system is activated when two quantitative and role-qualitative objectives reach the minimum level (of which one with greater weight in the objectives mix), together with the gate (if the gate is not also an individual objective, without prejudice to the threshold, the system is activated on reaching the full objectives mix at the minimum level).

The individual performance of each Key Manager is structured with a further two/three objectives, as stated in the individual objective schedules with the relative KPIs, that take account of the following dimensions: economic and financial, competitiveness, internal processes (including profiles of ethicality and compliance with provisions concerning anti-corruption laws and regulations and an assessment of the performance linked to risk management strategy established at a corporate level), innovation, apprehension and the social dimension, differing on the basis of the various skills and operational areas of the beneficiaries and detailed consistent with the strategic prospects included in the 2015-2019 Business Plan.

The non-monetary benefits for the Key Managers are represented by: (i) use of a company car and reimbursement of fuel expenses up to a maximum of 2,000 liters per calendar year; (ii) insurance policies; (iii) supplementary pension fund.

There are no agreements between the Company and the Key Managers envisaging termination indemnities or indemnities of any other nature in addition to those provided by law and/or any applicable collective labor 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 summarized descriptive form of the compensation due for 2015 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 Director General are presented in nominative form, while those for the other members of Key Management (concerning the organizational positions that have remained unchanged over 2015 compared to the situation envisaged in this respect) are presented in combined form (as per article 123-ter of the TUF).

PART I

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The following information is provided for 2015:

- as per the resolutions adopted by the Shareholders' Meetings of 18 September 2014 and 6 October 2014, effective from the Listing each member of the Board of Directors remaining in office for the whole year is entitled to the payment of a gross annual fee of Euro 50,000.00 plus a gross annual amount of Euro 15,000.00 for each Chairman of an Advisory Committee and a gross annual amount of Euro 12,000.00 for each independent director who is a member, but not Chairman, of an Advisory Committee. A pro-rata fee, based on the period up to the date on which the Company was advised of his resignation, was allocated to Salvatore Lo Giudice who resigned from his position as director during the year and was not a member of any of these committees;
- the fee due to the Chairman of the Board of Directors, Camillo Rossotto, party to a permanent employment relationship as manager with RAI - Radiotelevisione italiana S.p.A. for the whole year, was paid over to the Parent Company until 29 July 2015, in accordance with the request made by the latter company, and subsequently paid directly to Mr. Rossotto. The fee due to Salvatore Lo Giudice, who resigned from his position as director by way of a communication received by the Company on 13 November 2015, was paid over to the Parent Company for the period for which Mr. Lo Giudice held office.

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

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

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

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

REMUNERATION OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS

For 2015, 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, nor 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 MANAGING DIRECTOR AS HEAD OF STRATEGY, THE DIRECTOR GENERAL AND OTHER KEY MANAGERS

With effect from the Listing date the managing director Stefano Ciccotti is party to a managerial employment contract with Rai Way as Head of Strategy, and for 2015 received fixed gross annual remuneration of Euro 275,669.00.

Again with reference to 2015 (*):

- the fixed gross annual remuneration of the Director General was Euro 221,678.00;
- the total fixed gross annual remuneration of the remaining Key Managers was Euro 912,547.00.

The following amounts were granted as the short-term variable component of remuneration on the basis of the Principles and Guidelines of the 2015 Remuneration Policy:

- Managing Director as Head of Strategy: Euro 96,484.15;
- Director General: Euro 110,839.00;
- Other Key Managers: Euro 300,523.10.

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

Non-monetary benefits paid to Senior Managers (including the Managing Director for his managerial position with the Company as Head of Strategy) and to other Key Managers on the basis of their position as managers of the Company were as follows:

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

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

Rome, 21 March 2016

On behalf of the Board of Directors

The Chairman

Camillo Rossotto

(*) For completeness it should be noted that the provision contained in the renewed version of the National Agreement for Managers dated 30 December 2014 envisaging the reinstatement of the bi-annual benefits for all managers in service on 24 November 2004 who have not already matured the maximum of ten bi-annual increases was implemented during 2015.

Part II

Table 1- Compensation of the members of the management and control bodies, the Director General and other Key Managers (Senior Managers)

1.1 Compensation paid to members of the management and control bodies, to the Director General and to other Key Managers in office at 31 December 2015

FIRST AND LAST NAME	POSITION	PERIOD OF REFERENCE - 2015	EXPIRY DATE	FIXED COMPENSATION (*)	COMPENSATION AS COMMITTEE MEMBER	NON-MONETARY BENEFITS (1)	NON-EQUITY VARIABLE COMPENSATION		OTHER COMPENSATION	INDEMNITY DUE ON LEAVING OFFICE OR ON CESSATION OF EMPLOYMENT	TOTAL
							Bonuses and other incentives	Profit sharing			
CAMILLO ROSSOTTO	CHAIRMAN	01.01 - 31.12	28.04.2016 (^)	50,000.00	-	-	-	-	-	-	50,000.00
STEFANO CICCOTTI	MANAGING DIRECTOR AND HEAD OF STRATEGY	01.01 - 31.12	Date of the shareholders' meeting called to approve the financial statements for the year ending 31 December 2016	325,669.00 (●)	-	2,489.99	96,484.15	-	-	-	424,643.14
JOYCE VICTORIA BIGIO	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the shareholders' meeting called to approve the financial statements for the year ending 31 December 2016	50,000.00	15,000.00 (a)	-	-	-	-	-	65,000.00
FABIO COLASANTI	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the shareholders' meeting called to approve the financial statements for the year ending 31 December 2016	50,000.00	12,000.00 (b)	-	-	-	-	-	62,000.00
ALBERTO DE NIGRO	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the shareholders' meeting called to approve the financial statements for the year ending 31 December 2016	50,000.00	12,000.00(c)	-	-	-	-	-	62,000.00
ANNA GATTI	INDEPENDENT DIRECTOR	01.01 - 31.12	Date of the shareholders' meeting called to approve the financial statements for the year ending 31 December 2016	50,000.00	15,000.00(d)	-	-	-	-	-	65,000.00
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 2016	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 2016	20,000.00	-	-	-	-	-	-	20,000.00
MASSIMO PORFIRI	STANDING AUDITOR	28.04 - 31.12	Date of the shareholders' meeting called to approve the financial statements for the year ending 31 December 2016	13,534.25	-	-	-	-	-	-	13,534.25
ALDO MANCINO	DIRECTOR GENERAL	01.01 - 31.12		221,679.00	-	4,349.63	110,839.00	-	-	-	336,866.63
OTHER KEY MANAGERS				912,547.00	-	23,972.65	300,523.10	-	-	-	1,237,042.75
TOTAL				1,778,428.25	54,000.00	30,812.27	507,846.25				2,371,086.77

1.2 Compensation paid to members of the management and control bodies who left office before the end of 2015

FIRST AND LAST NAME	POSITION	PERIOD OF REFERENCE - 2015	EXPIRY DATE	FIXED COMPENSATION(*)	COMPENSATION AS COMMITTEE MEMBER	NON-MONETARY BENEFITS (1)	NON-EQUITY VARIABLE COMPENSATION		OTHER COMPENSATION	INDEMNITY DUE ON LEAVING OFFICE OR ON CESSATION OF EMPLOYMENT	TOTAL
							Bonuses and other incentives	Profit sharing			
SALVATORE LO	DIRECTOR	01.01 – 13.11		43,424.66	-	-	-	-	-	-	43,424.66
AGOSTINO	STANDING AUDITOR	01.01 – 28.04		5,000.00	-	-	-	-	-	-	5,000.00

(*) The fee due to the Chairman of the Board of Directors, Camillo Rossotto, party to a permanent employment relationship as manager with RAI - Radiotelevisione italiana S.p.A. for the whole year, was paid over to the Parent Company until 29 July 2015, in accordance with the request made by the latter company, and subsequently paid directly to Mr. Rossotto. The fee due to Salvatore Lo Giudice, who resigned from his position as director by way of a communication received by the Company on 13 November 2015, was paid over to the Parent Company for the period for which Mr. Lo Giudice held office.

(^) Being the date of the Shareholders' Meeting at the end of which Mr. Rossotto's resignation from his position as director, tendered on 21 March 2016, becomes effective (i.e. the first Shareholders' Meeting subsequent to the date on which he tendered his resignation).

(1) For completeness and without prejudice to the matters discussed, inter alia, in Section II, Part 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 Managing Director in his capacity as Head of Strategy, by the Director General and by the remaining Key Managers (with the resulting remuneration components in the reference period included in the fixed compensation received being Euro 18,235.46, Euro 14,272.58 and Euro 43,815.60 respectively).

(●) = Of which Euro 275,669.00 arising from the managerial employment contract as Head of Strategy.

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

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

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

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

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

2.1 Investments held by members of the management and control bodies and the Director General in office at 31 December 2015

FIRST AND LAST NAME	POSITION	INVESTEE	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR (*)	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF 2015
Camillo Rossotto	Chairman		20,000			20,000
Stefano Ciccotti	Managing Director and Head of Strategy	Rai Way	4,500			4,500
Alberto De Nigro	Director					
Anna Gatti	Director					
Joyce Victoria Bigio	Director	Rai Way	12,950			12,950
Fabio Colasanti	Director					
Maria Giovanna Basile	Chairman of the Board of Statutory Auditors					
Giovanni Galoppi	Standing Auditor					
Massimo Porfiri (**)	Standing Auditor					
Aldo Mancino	Director General	Rai Way	10,000			10,000

(*) Purchased as part of the public tender offer for the Company's shares made by RAI - Radiotelevisione italiana S.p.A. for the purpose of admission to trading of the Company's shares on the Electronic Stock Exchange organized and managed by Borsa Italiana S.p.A., apart from the shares held by the director Joyce Victoria Bigio.

(**) In office as statutory auditor from 28 April 2015; the information stated in the column for the number of shares held at the end of the previous year is accordingly understood to mean as of the appointment date.

2.2 Investments held by members of the management and control bodies leaving office before the end of 2015

FIRST AND LAST NAME	POSITION	INVESTEE	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR (*)	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF 2015
Salvatore Lo Giudice (**)	Director	Rai Way	1,500			1,500
Agostino Malsegna (***)	Standing Auditor					

(*) Purchased as part of the public tender offer for the Company's shares made by RAI - Radiotelevisione italiana S.p.A. for the purpose of admission to trading of the Company's shares on the Electronic Stock Exchange organized and managed by Borsa Italiana S.p.A..

(**) Ceased holding office on 13 November 2015 (date on which the Company received the resignation communication).

(***) Ceased holding office on 28 April 2015 (expiry date of the term of office).

2.3 Investments held by other Key Managers in office for the whole of 2015

NUMBER OF KEY MANAGERS	INVESTEE	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS YEAR (*)	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF 2015
6	Rai Way	1,500			1,500

(*) Purchased as part of the public tender offer for the Company's shares made by RAI - Radiotelevisione italiana S.p.A. for the purpose of admission to trading of the Company's shares on the Electronic Stock Exchange organized and managed by Borsa Italiana S.p.A..

