ANTITRUST CODE OF CONDUCT OF THE TIM GROUP

Trust, Integrity, Courage, Passion, Inclusion. These are our Values, our identity, what we believe in. They reflect how we must manage our daily business, work and relationships. They are our strength.

With particular reference to Integrity, all TIM Group companies choose to operate in compliance with the regulations and principles that protect free competition and, in pursuing their objectives, promote fair competition while respecting the interests of other market players, customers and stakeholders in general.

It is with this in mind that TIM Group's Antitrust Code of Conduct, approved in the updated version by TIM's Board of Directors on 14 December so as to ensure consistency with European and Italian best practices and the recent indications of the Italian Competition Authority (ICA), sets out to achieve the following results:

- ensure compliance with competition law, by issuing appropriate guidance to those involved in company processes;
- increase a general awareness among TIM people of the importance of competition law and its impact on business activities;
- provide all TIM people with a practical guide, to prevent actions, conduct and omissions that violate competition law.

This document, addressed to all TIM people (Top Management, Executives, employees) has a dual function: it is the set of rules which each TIM person must scrupulously observe in their daily tasks, and the guiding principle of our behaviour, as an integral part of our company culture. In the updated version, the contents are easily accessible and user-friendly, thanks also to a practical guide on how to behave in actual situations that could lead to potential competition violation.

The Antitrust Code of Conduct is the cornerstone of TIM's Antitrust Compliance programme, which aims to encourage the adoption of virtuous behavioural models at all levels of the company, actively working to ensure that the performance of business itself is guided by the sound ethical principles we promote, not limited to mere formal compliance, but able to prevent all possible violations of competition law.

I call on you all to keep up your guard at all times and to act responsibly every day and in every action, thereby confirming our commitment to be guided by Integrity and all our Values.

Pietro Labriola

CEO

Antitrust Code of Conduct of TIM Group

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Introduction

The Group companies base their activities on compliance with the values and principles contained in the Code of Ethics and Conduct and the Organisational Model 231, in the firm belief that a common vision of ethics in the daily conduct of business is an essential requirement for responsible and sustainable growth.

In this respect, the Group Companies specifically reject and stigmatise recourse to illegitimate or otherwise incorrect behaviours to reach their economic objectives. In particular, in performing their business, the Group companies operate in compliance with the regulations and principles safeguarding free competition and, in line with the values expressed in the Code of Ethics and Conduct, promote fair competition, functional to the pursuit of the company's objectives while respecting the interests of other market players, customers and stakeholders in general, refraining from prohibited, collusive, restrictive, abusive or otherwise improper conduct and ensuring compliance with the relevant regulations. The Group companies are committed to achieving their goals through the quality, safety and innovation characterising their products and services.
This document also constitutes a reference in relations with the Group's suppliers who, in a specific contractual clause, have already accepted the principles expressed in the Group's Code of Ethics and Conduct.

In order to comply with competition law, the Group companies have adopted the following general principles: (i) to define and pursue their business policy in total autonomy with respect to market competitors; (ii) to operate exclusively on the basis of their own strategic and business choices; (iii) not to engage in unlawful acts such as agreements restricting competition, abuse of a dominant position and exchanging sensitive information with competitors; (iv) to refrain from making statements damaging the reputation of competitors.

Addressees

The Antitrust Code of Conduct is addressed to the company bodies and employees of TIM, all the Italian unlisted companies of the TIM Group and the two San Marino-registered subsidiaries TIM San Marino S.p.A. and Telefonia Mobile Sammarinese S.p.A. (hereinafter referred to as "TIM Group" or "Group"). This document will also be communicated to the boards of directors of Italian listed companies for the purpose of promptly adapting their internal procedures and is also a reference for foreign[1] companies[2].

Scope and field of application

Ensuring full compliance with regulations safeguarding competition is an integral part of the company culture and of the daily operating decisions made by Group companies. The latter are well aware of the commercial, financial, reputational and operational risks that would arise in the absence of inadequacy of competition regulations and organisational safeguards, and consider it

[1] To be transposed after adaptation to local regulations, processes and organisational structures.

[2] To be transposed in a similar document by the relevant corporate bodies.

essential for employees to be informed of and understand the basic concepts of competition law applicable in the context of the business activities performed.

The most effective way of ensuring full compliance with competition regulations is to provide employees with a broad knowledge of competition law and its practical application, enabling them to recognise possible risks and thereby avoid them.

This Antitrust Code of Conduct (hereinafter also referred to as the "Antitrust Code" or "Code") therefore sets out to provide to all the Group companies a systematic reference framework for safeguarding competition. Specifically, the purpose of the Antitrust Code is to:

- briefly describe the principles of competition law and the main cases of infringement of the same;
- identify, in the light of the Group's activities and the precedents of the Competition Authorities (including those concerning the Group), the areas where there is a risk of possible unlawful acts occurring, so as to prevent them and allow for the prompt intervention of the responsible company department (hereinafter, "Antitrust Department").

Failure to comply with the Code poses a risk of seriously jeopardising TIM's reputation and success and may result in significant penalties for Group companies. This is why the TIM Group has decided to:

- widely disseminate the Code, making it accessible to all employees and providing appropriate and regular training programmes on competition;
- ensure the regular review and updating of the Code so as to align it with changes in competition law;
- provide the necessary support to offer clarifications on the interpretation and implementation of the Code through the Antitrust Department;
- envisage a system of disciplinary measures to punish possible violations;
- adopt specific internal procedures for reporting, assessing and managing possible violations; and
- ensure confidentiality of the identity, and professional protection of whistleblowers, in compliance with legal obligations.

Legislative references

[1] Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU)

[2] Law no. 287 of 10 October 1990

Process description and responsibilities

GENERAL PRINCIPLES

In line with the provisions of the Code of Ethics, any conduct that violates competition law is prohibited, without exception.

Competition law sets out to:

- ensure that markets operate competitively by constraining the behaviour of dominant companies and prohibiting restrictive agreements;

- protect the freedom of enterprise and consumers by fostering efficiency, innovation and the development of competition based on competitive prices and better products (or services).

Regulations protecting competition therefore prohibit behaviour and business conduct which, by reducing competitive pressure via mergers, abuse of dominant positions or cartels, could prevent or obstruct the competitive process between the operators active in the market.

Defining the relevant market is the first step needed to assess whether conduct or a business practice is unlawful according to competition law.

The concept of relevant market is specifically related to competition analysis and, as a result, differs from the notions of market used in other spheres, including the regulatory context; it is the result of combining two variables: the product market and the relevant geographic market relevant for the case in point.

The product market includes all goods and services which are interchangeable or can be substituted by the consumer and/or other operators given their characteristics, price and intended use. The geographic market can be defined as the territorial area in which the conditions of competition are homogeneous with respect to the relevant product.

Competition law is enshrined, at the European level, in Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU), in numerous Regulations and acts of EU bodies and, at the national level, in Law No. 287 of 10 October 1990.

It is important to emphasise that, according to established case law, the relationship between competition law and sectoral regulation is not one of exclusion and overlap, but is complementary.

This means that, although the competition authorities must take into account the (legal and factual) reference framework in which the operators in the industry act (in this case, the telecommunications sector), this does not prevent them from independently assessing the conduct of firms; as a result, rules protecting competition may also be applied in cases where the regulatory provisions leave an opening for such firms to adopt behaviour capable of obstructing, restricting or distorting competition.

By complying with competition law, the addressees of the Code undertake not to engage in the following offences.
OFFENCES

A) Agreements

Agreements (agreements, practices agreed to by competitor businesses and decisions by trade associations) that have as their object or effect that of preventing, restricting or distorting competition in the relevant market are prohibited.

An agreement is made when two or more businesses adopt a common strategy that limits, or is likely to limit, their independent behaviour on the market, determining the lines of their mutual action or activity on the market.

An agreement does not necessarily mean a formal agreement (e.g. contract, letter of intent, gentlemen's agreement, memorandum of understanding etc.) but may come about as a result of uniform and conclusive conduct (so-called concerted practice).

The agreement may be in written or oral form. Such as:

- exchange of letters/emails/communications;
- conversations on the telephone, at a meeting, in a working group, even within a trade association;
- exchanges of opinions or information.

In essence, any contact between competitors, even indirect contact, may give rise to a risk of violating competition law, especially where it is followed by uniform conduct of competitors on the market.

The prohibited agreements may restrict competition by their purpose (when by their very nature they restrict competition and do not require any assessment of their actual or potential effects) or by their effect (when an examination of their effects is needed to assess whether or not they have a negative impact on competition).

Some agreements - which in the abstract fall under the ban in question - may even have pro-competitive effects. For this reason, they can be exempted from the ban, but only if they fulfil specific conditions. The Antitrust Department be consulted for clarifications regarding the assessment of possible pro- and anti-competitive effects of an agreement with competitors, distributors or suppliers.

Types of agreements

Agreements may be horizontal when they are made between competitors or vertical when they are made between parties which, operating at a different level of the distribution chain, are not competitors for the purposes of the agreement.

Horizontal agreements

There are various examples of agreements that may exist between Group companies and their competitors:

- price agreements: any agreement which has the object or effect of fixing, increasing, decreasing, maintaining the price (or individual price components) of products/services offered on the market;

- market partitioning agreements: any agreement that has the object or effect of partitioning the market, for example by: a) allocating products/services among different competitors; b) allocating the parties to the agreement exclusive geographic areas for the sale of products/services; c) allocating customers or certain classes of customers among different competitors; or d) agreeing to cease sales of products/services to certain customers or classes of customers;

- agreements on contractual terms and conditions: any agreement that has as its object or may result in the agreement with competitors of uniform contractual terms and conditions relating, for example, to billing and payment terms, additional services offered to customers, suppliers or distributors, terms of renewal and termination;

- production limitation: any agreement which has as its object or may result in the fixing, increase, decrease, maintenance, stabilisation or limitation of the output of the businesses party to the agreement. An agreement between competitors may also be aimed at limiting market outlets or access, the level of investment and technical development or technological progress in the relevant sector (e.g. in the latter case, by effectively preventing the parties to the agreement from undertaking, developing or exploiting projects independently);

- horizontal discrimination: any agreement to apply different prices, terms of sale or payment to customers in similar situations or the same conditions to customers in different situations;

- boycotting: any agreement aimed at collectively boycotting one or more competitors, in particular new entries on the market;

- bid rigging: any agreement the purpose or effect of which is to influence the outcome of tenders (public or private), before or during the tender. For example, agreements where competitors agree to: a) participate in a tender or not to participate (e.g. with reference to the latter case, to allow the contract with the outgoing supplier to be extended); b) to participate under certain conditions (at a certain price, at a higher or lower price); c) to make an invalid or purely formal bid in order to allow a competitor to be awarded the tender; d) to submit a bid to the tender by means of a temporary association of companies (ATI) even though the companies that are part of it may participate individually in the tender; e) to use subcontracting to circumvent competition;

- exchange of sensitive information between competitors: any exchange of commercially sensitive information with competitors in any context (telephone calls, correspondence, e-mails, meetings within committees, working groups, trade associations). This case is one of the

most complex violations of competition law, which prohibits any direct or indirect contact between competitors with the purpose or effect of reducing the strategic uncertainty normally present in the market with regard to the behaviour of the various players.

Commercially sensitive information is, in particular, information relating to: a) prices, discounts, margins, production costs, quantities, capacities, lists of customers and their characteristics; b) investments; c) business and industrial policies and strategies; d) production/distribution plans, volumes and strategies (e.g. marketing plans); e) distribution conditions; f) research and development activities for the launch of new products and services.

The exchange of commercially sensitive information occurs both in the case of reciprocal communication of information between competitors and in the case of one-way information (e.g. one-way communication by a competitor of sensitive information, public announcements of price changes or public invitations to behave in a certain way, including at conferences, interviews or meetings, social events, technical tables, working committees, etc.).

In the area of information exchange, the phenomenon of data sharing, which has been growing in importance in recent years, is also relevant. Data sharing describes all possible forms and models of data access and transfer between companies. It includes data pools, by means of which data controllers create a common space (e.g. a database) for sharing data. By means of data sharing agreements, two or more companies can contribute data, sometimes of a commercially sensitive nature, to a common database. By accessing this database, companies could also have access to information provided by competitors.

Sharing certain types of information (e.g. information that enables companies to produce efficiencies and offer better services to customers and consumers) can also have pro-competitive effects. For example, public information, aggregated and historical statistical data may be shared, provided that no indication of individual positions of individual companies can be derived from such data. The Antitrust Department should be consulted to assess the nature of the information, its value from a competition point of view and the lawfulness of any exchange of information.

Notwithstanding the above ban on exchanging commercially sensitive information between competitors, the right of businesses to react intelligently, independently, to the known or suspected conduct of competitors remains unaffected.

CASE SANCTIONED BY THE ICA

I842 - Sale of Apple and Beats products on Amazon Marketplace

In its Ruling of 16 November 2021, the AGCM found that Apple and Amazon had implemented restrictive agreements in breach of Article 101 TFEU aimed at preventing retailers legitimately selling genuine Apple and Beats products, from accessing the intermediation services of the Amazon.it marketplace.

According to the reconstruction made by the Competition Authority, the agreement between Apple and Amazon allegedly resulted in barriers to entering online sales markets to the detriment of unofficial retailers of Apple and Beats products, mainly consisting of small and medium-sized

enterprises that also sell on the web. Unofficial' retailers are not traders selling fake Apple and Beats products, but rather companies that simply do not belong to the official Apple authorised retailer programme.
In particular, the Authority found that the agreement prevented a substantial number of retailers of genuine Apple and Beats branded products from accessing a qualified distribution channel - such as Amazon's marketplace - which is an essential outlet for online sales, especially for small and medium-sized operators, with significant effects on competition.

In the light of this, the ICA imposed fines on Apple and Amazon for 114,681,657 euros and 58,592,754 euros respectively. The Authority also ordered the parties to remove and/or amend the contractual clauses found to be abusive, choosing forms of distribution that would allow operators legitimately marketing genuine Apple and Beats branded products to access the Amazon.it marketplace and to use the intermediation services of that marketplace in a non-discriminatory manner with respect to Amazon and the other official sellers of Apple and Beats products.

Decisions of trade associations

Competition law takes into account not only direct coordination between companies, but also institutionalised forms of cooperation, in which economic operators act through a collective structure or a common body. In this context, agreements between enterprises can in fact be induced or facilitated by associative bodies that, by their very nature, are tangible expressions of the common interests of enterprises operating in the same sector of the economy.
The notion of a business association relevant for competition purposes is rather broad and encompasses a wide range of cases, including trade associations, consortia, but also cooperative associations.

The essential and indispensable element is the presence of a common structure, an organisation that tends to be stable and permanent, with the function of expressing the collective wishes of the member companies, thus influencing their individual conduct. It follows, for example, that an entity - even of a collective nature - without a coordinating body, could not qualify as an association for competition purposes. The breadth of this notion is intended to prevent companies from escaping the competition rules based solely on the form (other than agreement or concerted practice) by which they coordinate their conduct on the market.

As for the notion of 'decision', this encompasses any act, even if not of a formally binding character, that constitutes a manifestation of the wishes of the businesses participating in a given collegial structure.

Competition issues related to the activities of trade associations basically fall into two types:

a. in some cases, by facilitating the meeting of its members, associations could be the occasion for the definition and implementation by its members of agreements restricting competition, or the vehicle for coordinating their behaviour on the market, in violation of competition law. By way of example, anti-competitive behaviour could arise in the following situations:

- meetings between member companies;

- advertising and marketing initiatives;

- certifications or quality standards;

- promotion, sponsorship or endorsement of agreements, discount agreements, protocols that may influence the direct or indirect setting of market conditions or the manner and time of trends thereof: in such cases, it must be verified in advance whether the text of the agreement is consistent with competition law.

b. In other cases, it is the very activity of the association that may run the risk of illegality, for instance by defining strict admission requirements, establishing working groups whose activities promote the standardisation of conduct, or creating databases aimed at sharing commercially sensitive information. In this respect, the following may, for example, be relevant from a competition perspective:

- limiting clauses in bylaws or regulations, as well as in self-regulatory or ethical codes;

- studies, contract-types, guidelines to steer the activities of member companies in particular market sectors to create barriers to entry or exclude competing companies;

- circulars;

- resolutions;

- recommendations;

- suggestions of contractual clauses.

For further details on how to behave in the day-to-day management of work activities and the conduct to be avoided to avoid possible risks, please refer to the Operating instructions for application of the Antitrust Code of Conduct.

CASE SANCTIONED BY THE ICA

I805 - Corrugated cardboard prices

In its ruling on 17 July 2019, the Authority ascertained and sanctioned two different agreements restricting competition, prohibited under Articles 101 TFEU and 2 of Law 287/1990, namely: (i) an agreement aimed at limiting competition between operators producing and marketing cardboard sheets and (ii) an agreement aimed at limiting competition in the different market for the production and marketing of cardboard packaging.

In the first case, the Authority found that a number of companies had set up an agreement aimed at fixing the sales prices of corrugated cardboard, in particular to non-vertically integrated box manufacturers, and defining production plant stoppages. The corrugated cardboard manufacturers allegedly reached the agreements at meetings between top management, also attended by trade associations, or through telephone contacts. The instructions received from top management were then disseminated at regional meetings.

The second case, referred to as the 'packaging agreement', allegedly concerned the fixing of sales prices for corrugated cardboard packaging, as well as customer partitioning (so-called non-aggression agreements) and supplies to jointly supplied customers (so-called non-belligerency agreements).

In this case too, the agreements were allegedly reached at top-level meetings between the managing directors or their substitutes, offering guidelines of a general nature, which were allegedly also attended by trade associations, and regional meetings attended by local business directors. In addition, more informal contacts, including by telephone, were allegedly held to further define what had been defined at regional level, with the aim of coordinating strategies in the face of requests for supplies, auctions or *tenders* from joint customers.

The Authority fined the companies involved in the 'sheets agreement' for a total of approximately 100 million euros and the companies involved in the 'packaging agreement' for approximately 178 million euros. The benefit of exemption in favour of the *leniency applicant* was applied and the sanctions against some companies that had also reported the facts were reduced.

Vertical agreements

Vertical agreements are made between operators belonging to different levels of the production process and are generally more favourably treated than horizontal agreements since, as they do not involve direct competitors, they can lead to efficiency gains and generate pro-competitive effects.
For these reasons, the European Commission has introduced, by means of general regulations, a system that pre-emptively exempts certain categories of vertical agreements ('block exemption') if certain conditions are met.
Please consult the Antitrust Department for the necessary clarifications when assessing the compliance of vertical agreements with competition law.

Basic restrictions

These are contractual clauses with highly anti-competitive potential (so-called hardcore), such as those for fixing the sales price and those aimed at establishing absolute territorial protection.

The following conduct is always banned and causes the block exemption for the agreement as a whole to lapse:

- imposing the sales price: any arrangement (between supplier and distributor) the object or effect of which is directly or indirectly to impose a fixed or minimum sales price on the retailer/dealer or the next customer in the distribution chain;

- market partitioning according to area or customer group: any agreement by which the supplier, directly or indirectly, limits supplies to the area in which, or to the customers to whom, the retailer party to the agreement or its customers may sell the goods or services under the contract. There are also some individual contractual clauses that are excluded from the scope of the block exemption, although this does not lead to inapplicability of the exemption to the entire agreement containing them. This occurs, by way of example, in the case of a direct or

indirect non-competition obligation the duration of which is indefinite or more than five years, or in the case of a non-competition obligation that is tacitly renewable beyond five years.

For further details on how to behave in the day-to-day management of work activities and the conduct to be avoided to avoid possible risks, please refer to the Operating instructions for application of the Antitrust Code of Conduct.

B) Abuse of a dominant position

The case of abuse of a dominant position consists of two elements: (i) the undertaking must hold a position qualifying as 'dominant' in the market and (ii) it must have engaged in conduct qualifying as an 'abuse' of such dominant position.

A dominant position exists when an undertaking has such economic power that it is able to obstruct effective competition in a market, through substantially independent conduct with regard to competitors, customers and, ultimately, consumers.

The existence of a dominant position in a relevant market can be inferred from various factors, including a large market share (over 40%), a considerable difference between one undertaking's market share and those of its competitors, strong economic and financial power (i.e. substantial economic independence from its competitors), a considerable technological advantage over its competitors, vertical integration and the presence of barriers to entry (e.g. legal, judicial, administrative, etc.).
If an undertaking has a market share of more than 50%, it is presumed to hold a dominant position.

An undertaking that holds a dominant position in a relevant market must not abuse its power or obstruct effective competition in the market in question. Case law states on this point that the dominant undertaking must be regarded as bearing a 'special responsibility', which bans conduct that, if engaged in by undertakings without such market power, may be entirely legitimate.

It is the abuse of a dominant position that is prohibited by competition law and not the mere fact of holding such a position in a given market. To avoid possible abuse, TIM must therefore be aware of which markets it holds a dominant position in. These markets include those in which TIM has significant market power. Dominance may also exist in unregulated markets (e.g. the bulk SMS market).

Some types of abusive conduct

Cases of abuse are conventionally divided into 'exploitative' abuse, which includes those cases where the dominant undertaking is able to extract a monopoly overprofit by exploiting its market power, and 'exclusionary' abuse, which includes those cases where the dominant undertaking is able to prevent or obstruct market entry, growth or aggressive competitive initiatives by competing undertakings.

“Exploitative' abuse includes:

– excessively high (unfair) prices: even if there is no clear criterion for considering the price to be excessive, any abrupt increase or raising of the price of the product/service above a normal level

(i.e. the price including all costs, depreciation and a normal profit margin) should be carefully considered;

- particularly onerous (unfair) contractual terms: contractual terms are not "fair" when (a) the economic advantage of the dominant undertaking has no plausible commercial justification (e.g. clauses making the payment of the price due conditional to the occurrence of a future, uncertain event; clauses providing for the payment of consideration for services not rendered); (b) they force the contracting undertaking to accept limitations to its freedom of economic initiative (e.g. unjustified sales prohibitions);

- binding practices: binding practices are defined as those aimed at forcing a customer to buy one product so as to be able to buy another or use a certain service that is not functionally related to the latter and independent of it.

The following are considered cases of 'exclusionary' abuse:

- exclusivity agreements, which prevent the competitors of a dominant undertaking from entering the market (e.g. exclusive purchasing obligations, whereby a customer in a given market must purchase exclusively or to a large extent only from the dominant undertaking). This also includes abusive discounts, including loyalty discounts: namely those granted only if the customer undertakes to obtain all (or most) of its requirements (whether small or large) from the dominant undertaking;

- practices aimed at eliminating or otherwise reducing the contendibility of its customer base (e.g. through clauses providing for long-term contractual obligations and particularly onerous exit conditions);

- predatory pricing: predatory pricing occurs when an undertaking implements a strategy of selling at prices 'below cost', not justified on grounds of economic efficiency but rather with the intention of excluding its competitors from the market. Specifically, in a first phase, the dominant undertaking lowers prices, deliberately suffering economic losses to the point of forcing its competitors out of the market and, in a second phase, raises prices to the monopoly level, recovering any loss incurred in the first phase;

- refusal to contract: this covers practices of various kinds, such as refusing to supply products to new or existing customers or to grant access to essential and not easily replicable infrastructure (e.g. network infrastructure). For this abuse to occur, the refusal must relates to a resource that is essential to compete on a downstream market and must not be supported by any objective justification. The abusive conduct of the undertaking in a dominant position may consist not only in refusal tout court but also in undue delay or other forms of impairing the supply of the product/service, or in the imposition of unreasonable conditions in return for supply (so-called 'constructive refusal');

- margin squeeze: a margin squeeze occurs when a vertically integrated and dominant undertaking in the upstream market, in which it controls a resource/service essential to doing business in a downstream market, charges high prices to contractors/competitors active in the downstream market (OLOs) that purchase the essential resource/service and/or discounts end-

customers to an extent that cannot be replicated by equally efficient competitors in the downstream market;

- discriminatory conduct: conduct consisting in the application, in business relations with other contractors, of dissimilar conditions for equivalent services, in the absence of real economic justification, is discriminatory. Typical examples of discrimination concern prices, terms of sale, payment terms charged to customers or competitors differently in similar situations (or similarly in different situations) without an objective economic justification.

- exploitation of privileged information: the unlawful use of information held exclusively by the dominant undertaking and not replicable by competitors may also constitute an abusive practice. In this respect, the use of privileged information obtained through the wholesale provision of services in upstream markets (e.g. for fixed telephone network access and interconnection services) by the vertically integrated dominant undertaking in the retail market, as well as the undue retention of data on former customers migrated to other operators, may constitute an abuse;

- instrumental use of legal remedies for anti-competitive purposes ("sham litigation"): threatening and bringing legal actions to obstruct and delay the entry of competitors into the market, or in any event reduce their competitive capacity, may constitute an abuse of a dominant position; similarly, conduct aimed at instrumentally using administrative procedures (e.g. patent law) for obstructive purposes against actual and potential competitors may constitute an abuse of a dominant position;

- conduct aimed at influencing, for anti-competitive purposes, the decision-making processes of public authorities by means of false and/or misleading information (e.g., providing false and/or misleading information to the regulatory authority in order to obstruct or delay the implementation of measures conducive to developing a competitive market);

- conduct aimed at obstructing/delaying the holding of public tenders (e.g. the refusal and/or delay by the outgoing operator to provide the necessary information to the contracting entities in order to launch the tender procedures for the selection of the new concessionaire and to the competitors in order to participate in the tender and submit competitive bids).

The above list of abusive conduct is not exhaustive.

CASE SANCTIONED BY THE ICA

A524 - Leadiant Biosciences/Drug for the treatment of Cerebrotendinous xanthomatosis

In its ruling of 17 May 2022, the ICA sanctioned several companies belonging to the Leadiant group, operating in the pharmaceutical industry, for abusing a dominant position in the Italian market for the production and sale of drugs made from chenodeoxycholic acid (CDCA). These drugs are used to treat a rare disease that causes severe disability and can lead to early death.

In particular, according to the Authority, the abuse consisted of charging the Italian National Health Service (SSN) unjustifiably high prices for the sale of an orphan drug (i.e. a drug used for the diagnosis, prevention and treatment of rare diseases) containing the active ingredient CDCA.

This abuse, moreover, was allegedly part of an articulated strategy maliciously prearranged over time; according to the ICA, Leadiant adopted delaying tactics and obstructive behaviour with respect to negotiation of the drug reimbursement price with the Agenzia Italiana del Farmaco [Italian Medicines Agency], so as to reduce the latter's negotiating power. For a year and a half, despite the Agency's repeated requests, Leadiant not only failed to provide any information and documentation on R&D investments adequately supporting its initial and/or subsequent price proposal and justifying the price difference between Leadiant's CDCA and chemically and pharmacologically identical drugs, but also strategically delayed the negotiation process by belatedly submitting economic offers correcting the first.

The ICA ascertained abuse of a dominant position by Leadiant, due to the excessive and unjustified price charged for the sale of the orphan drug.

In the light of the above, the Authority imposed a fine of approximately 3.5 million euros on Leadiant.

CASE SANCTIONED BY THE ICA

A523 - TicketOne/Exclusionary conduct in ticket sales

In its Ruling of 22 December 2020, the ICA sanctioned the CTS Eventim-TicketOne Group for engaging in conduct aimed at preventing access to the market for the sale of tickets for live pop music events to current and potential competing ticketing operators.

According to the Authority, the complex exclusionary strategy implemented by the group allegedly comprised conduct engaged in since 2013, consisting of (i) the conclusion of exclusive contracts with promoters of live music events; (ii) the acquisition of multiple companies active in the promotion of live music events; (iii) the imposition of exclusivity clauses with respect to local promoters (iv) the conclusion of commercial agreements with smaller or local ticketing operators, entailing the obligation for such operators to use TicketOne's automated ticketing system on their network of physical pre-sales outlets, and to only allow TicketOne to sell tickets on the online channel, including by accessing the website of such operators, which in fact act as TicketOne's intermediaries (v) a series of boycott and retaliatory measures against companies active in the provision of ticketing services for live music events.

The aforementioned strategy allegedly also allowed the TicketOne group to charge users higher sales commissions on the price of tickets for live music events than those applied by its competitors, thus abusing its dominant position to the detriment of consumers, who were limited in their possibilities of choice and purchase among the various *ticketing* operators (so-called multihoming).

The Authority therefore imposed a fine of more than 10 million euros on the group, requiring the dominant operator to grant competing ticketing operators the possibility of selling by any means and through any channel, at fair, reasonable and non-discriminatory conditions, at least 20% of the total number of tickets for live pop music events produced or distributed by each promoter or by ticketing operators exclusively tied to the CTS Eventim-TicketOne group.

CASE SANCTIONED BY THE ICA
A529 - Google/Compatibility of Enel X Italia app with Android Auto system

In its ruling of 27 April 2021, the ICA imposed a fine of over 100 million euros on Google LLC, Google Italy S.r.l. and Alphabet Inc. for abuse of a dominant position in the market for licensing operating systems for smart mobile devices and in the market for websites selling apps (app stores) for Android.

According to the ICA, this conduct led to a reduction in the supply of such products and services, resulting in a limitation of choices for users.

In the Ruling, the ICA reconstructed that, starting from September 2018, Google allegedly obstructed the availability on its Android Auto platform (which allows users to use apps while driving) of the Enel X Italy JuicePass app. This app offers various functions related to electric vehicle charging, such as searching, booking and paying for charging stations, which Google allegedly hindered with the sole aim of favouring its own Google Maps app, which also offers services for electric vehicle charging.

According to the ICA, the exclusion of Enel X Italia's app from the Android Auto platform, on the one hand, was conducive to altering the structure of the market for electric charging services offered via the app, with the consequent dispersion of the investments in technology made by Enel X Italia and the loss of an alternative business model to that of Google Maps, and, on the other, such obstruction was also conducive to affecting the development of electric mobility and in particular the development of a network of recharging infrastructures for electric cars able to meet the needs on the demand side.

Abuse of economic dependence

Article 9 of Law No. 192/1998 prohibits the abuse by one or more undertakings of the state of economic dependence, defined as the situation in which an undertaking is able to determine, in its commercial relations with another undertaking, an excessive imbalance of rights and obligations, also taking into account the real possibility for the party subjected to the abuse to find satisfactory alternatives on the market.

Abuse of economic dependence may also consist in refusing to sell or buy, imposing unjustifiably onerous or discriminatory contractual terms, and arbitrarily breaking off existing business relations.

The Italian Competition Authority activates its powers of investigation and of imposing refrain notices and sanctions if it finds that the abuse of economic dependence is significant for the protection of competition.

Law No. 118/2022 most recently added an assumption regarding the existence of a situation of economic dependence on companies using the intermediation services of a digital platform, when said platform '*plays a decisive role in reaching end users and/or suppliers, also in terms of network effects and/or data availability*'.

Some practices that may constitute an abuse of economic dependence by digital platforms are:

- providing insufficient information or data on the scope or quality of the service provided;
- demanding undue one-sided benefits not justified by the nature or content of the activity performed;
- adopting practices that inhibit or obstruct the use of different providers for the same service, including by applying unilateral conditions or additional costs not provided for in the contractual agreements or existing licences.

CASE SANCTIONED BY THE ICA

A525 - NEWSPAPER AND PERIODICAL DISTRIBUTION MARKET IN THE GENOA AND TIGULLIO AREA

In its ruling of 20 December 2019, the ICA ascertained that the company M-Dis Distribuzione Media S.p.A. (M-Dis) and its subsidiary To-Dis S.r.l. (To-Dis) had engaged in abuse of economic dependence within the meaning of Article 9 (3 *bis*) of l. 192/1998 against a one-man enterprise ('RN').

According to the Authority, the abuse carried out by M-Dis and To-Dis consisted in the arbitrary interruption of supplies of newspapers and periodicals to a one-man enterprise active in the distribution of daily newspapers and periodicals in and around the Genoa area.

The Authority first noted that M-Dis and To-Dis are exclusive national distributors of an assortment of newspapers and periodicals with an incidence of around 55-60% in Liguria, and that it was therefore not possible to operate profitably in the Genoa and Province area without contracts with these operators.

According to the ICA, RN was unable to find an absolute alternative for the supply of approximately 55-60% of the publishing scope pertaining to M-Dis and To-Dis, and thus in a position of economic dependence on the latter.
The investigation conducted by the ICA also highlighted the abusive nature of the interruption of supplies of newspapers and periodicals by M-Dis and To-Dis to RN, consisting in the cancellation of distribution contracts, as arbitrary and aimed at benefiting a subsidiary of M-Dis, operating as a local distributor in the same area in which RN operated.

In the light of this, the Authority concluded that the abuse of economic dependence by M-Dis and its subsidiary To- Dis was relevant for the purposes of competition in the market for the local distribution of newspapers and periodicals, insofar as it led to the exclusion of an operator and obstructed competitive pressure on the market. The ICA also noted that the conduct had further effects concerning the sub-optimal management of the local distribution of daily newspapers and periodicals, as well as repercussions on employment levels in the sector.

The ICA imposed an administrative fine of 321,597.17 euros on M-Dis and To-Dis.

This measure was appealed against by To-Dis S.r.l., M-Dis Distribuzione Media S.p.A., upheld by the Regional Administrative Tribunal in ruling no. 11131 of 2 November 2021, which was ultimately confirmed in appeal by the Council of State in ruling no. 3505 of 5 April 2023. The Council of State held that the termination by the two companies of the supply relationship with RN constituted a

legitimate exercise of their contractual rights, insofar as RN had entered into a business transfer contract with a local distributor without giving prior notice.
For further details on how to behave in the day-to-day management of work activities and the conduct to be avoided to avoid possible risks, please refer to the Operating instructions for application of the Antitrust Code of Conduct.

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With regard to submitting reports on correct behaviour, please refer to point 4 of the Code of Ethics and Conduct as well as to the "Whistleblowing" procedure which governs the process of receiving, analysing and processing reports, by whoever sent or forwarded, including anonymously.

CONSEQUENCES OF COMPETITION LAW INFRINGEMENT

The consequences of violating competition rules are significant and include:

- large fines for group companies (under Italian and EU law, fines can be up to 10% of the total turnover of the offending company, understood as a group);
- nullity of restrictive agreements (including formalised agreements) implemented in violation of the rules protecting competition;
- civil actions (including class actions) to claim anti-competition damages from competitors, corporate clients and consumers;
- the need to implement structural or behavioural measures to which the Group must adhere in the performance of its activities, in addition to its legal and regulatory obligations;
- negative effects on the Group's business strategy;
- considerable reputational and image damage;
- effects on ratings, profitability, bank financing, participation in tenders;
- possible negative impact on the prices of securities traded on regulated markets;
- diversion of personnel from the business activity;
- high costs for the defence of Group companies.

It should be borne in mind that sanctions may be imposed by the Italian Competition Authority (ICA) or the European Commission even if the unlawful objective of the infringement has not been achieved and the contested conduct has not had an actual restrictive effect on competition, since it is sufficient that the Group companies have behaved in a manner that distorts competition.

The new powers of the ICA

The ICA's powers were extended by Legislative Decree No. 185 of 2021 and Law No. 118 of 2022 (Annual Competition Law) which, inter alia, affected certain provisions of Law 287/1990.

Article 14 of Law No. 287/1990, as amended by Legislative Decree No. 185/2021, now provides for the ICA’s power to:

- carry out inspections not only in the premises, land, means of transport of undertakings or associations of undertakings, but also in any other premises, land or means of transport in which the Authority has reason to believe that documents connected with the undertaking and the subject-matter of the investigation are to be found, including the homes of managers, directors and other members of staff of the undertakings or associations of undertakings, subject to authorisation of the magistrate.

– summoning representatives of undertakings, associations of undertakings and other legal persons and natural persons who may be in possession of relevant information to a hearing, with an obligation to appear at the hearing.

The ICA may also make requests to companies and entities 'at any time', therefore outside the scope of an investigation procedure, for information and the production of relevant documents. In the event that the addressees of such requests refuse or omit to answer, or provide untrue information and documents, a penalty of up to 1% of the total worldwide turnover achieved during the previous financial year shall be imposed.

The clemency procedure

The clemency procedure provides that in the face of the undertakings' qualified cooperation in the investigation of violations of competition rules, the administrative fine may be waived or reduced for undertakings that disclose their participation in secret cartels.

The settlement procedure

In the course of the investigation, the Authority may set a time limit within which the undertakings concerned may indicate in writing their willingness to participate in discussions with a view to possibly submitting settlement proposals. If the outcome of these discussions is favourable, the Authority may set a time limit within which the undertakings concerned may commit to following the settlement procedure by submitting settlement proposals reflecting the results of the settlement discussions and acknowledging their participation in an infringement.

if the settlement procedure is successfully concluded, in proceedings not involving a secret cartel, the Authority may reduce the amount of the fine to be imposed by 20%. If, instead, the settlement procedure is successfully concluded in proceedings concerning a secret cartel, the Authority will reduce the amount of the fine to be imposed by 10%.

Miscellaneous

No practice qualifying as an anti-competition offence can be justified or tolerated on the grounds that it is 'customary' in the trade in which the company operates.

None of the intended recipients of this procedure shall be discriminated against or punished in any way for having refused to conduct anti-competitive behaviour, even if such refusal has caused detrimental consequences for the company.

In the event of violation of this Antitrust Code, the internal procedures referred to herein and/or the applicable legislation, as well as in the event of adopting the discriminatory actions mentioned above, sanctions/disciplinary measures shall be imposed against those responsible in accordance with the procedures laid down in the Code of Ethics, the law and collective agreements and contracts.

Annex

OPERATIONAL GUIDELINES FOR APPLYING THE ANTITRUST CODE OF CONDUCT OF THE TIM GROUP

Rules of behavior

Information is provided below, with reference to each of the infringements described in the Antitrust Code of Conduct, concerning the forms of behavior we suggest you follow in the everyday course of your professional activity and those which it is vital to refrain from in order to avoid possible commercial, economic, reputational and operational risks for the Group as a result of failing to comply with the guidelines provided hereafter.

A) Agreements

Horizontal agreements

The risk of being involved in anticompetitive agreements - the object or effect of which is to prevent, restrict or distort competition in the relevant market - exists on any formal or informal occasion in which you are in contact with competitors, at both the social and corporate level. When you are in contact with competitors:

DO NOT:

- discuss or agree with competitors retail or wholesale prices (or indeed single components and price formation modalities), the timing of price changes or other contractual terms and conditions such as invoicing or payment procedures;

- discuss or agree on restrictions of the respective strategies or activities with reference to markets, territories and/or clients;

- discuss or agree the exclusion of competitors, clients, distributors or suppliers from the market;

- discuss or agree any changes (e.g. fixing, increasing or decreasing) in the production/supply of services or the level of investments;

- agree with competitors to apply different prices and conditions of sale or payment to clients in analogous situations or equal conditions to clients that are in different situations;

- grant access to, exchange, seek access to, and discuss corporate information that is not public or that is confidential (e.g. prices, discounts, margins, production or distribution costs, quantities, capacity, investments, plans, production/distribution volumes and strategies, profitability, activity and marketing programmes, research and product or service development programs, launches of new products, etc.).

DO:

- remember that an anticompetitive agreement does not necessarily have to be finalised in writing or be binding on the Parties;

- determine the price of the service/product, and make your commercial decisions, in a situation of complete autonomy and independence from competitors;

- act independently in the market and on the basis of your own information;

- evaluate the compatibility of contractual initiatives and the potential partnerships with antitrust rules, with the assistance of the Antitrust Department;

- avoid any contact involving a direct or indirect exchange of sensitive commercial information regarding the Group's activities;

- evaluate the sensitive nature of the information from the antitrust standpoint and the legality of certain exchanges of information with the help of the Antitrust Department;

- prior to participating in any meeting, committee, work group or panel in which competitors participate, carefully check that the agenda complies with antitrust law, by first consulting the Antitrust Department in case of doubt. After the meeting, check carefully that the matters discussed have been correctly recorded in minutes and, if there is an evident discrepancy with antitrust law, consult the Antitrust Department;

- document the sources of information legitimately acquired (e.g. through retailers), noting down, for instance, the date of acquisition and origin of the information, in such a way as to be able to demonstrate, if needs be, that the fact that you have certain information is not the result of unlawful contact with competitors.

Participating in associations

DO NOT:

- actively or passively participate - especially on the occasion of association meetings or "formal" meetings between members of trade associations - in discussions concerning sensitive commercial information;

- share sensitive information during social events held on the side lines of official meetings;

- supply sensitive information (in order to produce statistics) to associations or third parties, without having first checked with the Antitrust Department.

DO:

- participate in the meetings only after having checked the agenda, if necessary asking for clarifications if it is not sufficiently detailed;

- leave the meeting, if doubts emerge as to the debate's compliance with antitrust law (making sure that this is duly recorded in minutes), inform the Antitrust Department and send a note to the association mentioning what happened.

- if doubts arise, check to ensure that the work of an association complies with antitrust law with the Antitrust Department.

Information Exchange

Not all exchanges of information between competitors are unlawful as such; for this reason, we need to assess the nature of the exchanged information on a case-by-case basis and the context to which it belongs. In any event, the general principle that should be borne in mind is that information must not be exchanged between competitors, unless this is necessary. If you go ahead with such an exchange, it is vital to adopt the following precautions:

Direct exchanges of information with competitors

DO NOT:

- share sensitive commercial information with competitors (e.g. prices, rebates, margins, production or distribution costs, quantities, capacity, investments, plans, production/distribution volumes and strategies, profitability, activity and marketing programmes, product research and development programs, launches of new products, etc.), regardless of the system of communication used (emails, phone calls, meetings, gatherings, WhatsApp, etc.);

- leave any emails unanswered concerning sensitive commercial information received from a competitor (see below, in the "DO" section);

- participate in any meeting, panel, work group, committee or social event if they involve unlawful discussions from an antitrust standpoint.

DO:

- be aware that the risk of exchanging sensitive commercial information exists in any private or professional context;

- refuse to discuss commercially sensitive information in any context. If sensitive commercial information is received by email, reply in writing that you are not interested in receiving it and kindly ask the competitor to refrain from sending you such emails;

- keep a record of discussions or meetings with competitors;

- immediately leave gatherings or meetings involving unlawful discussions and make sure that your departure/opposition is recorded in the minutes of the meeting;

- inform the Antitrust Department of what happened in writing.

Acquisition of the sensitive commercial information of competitors through suppliers/retailers

DO NOT:

- contact a competitor to discuss/verify/ascertain that the information received from suppliers/retailers is true and reliable.

- provide or attempt to provide sensitive information to a competitor through common suppliers/retailers.

DO:

- keep a written record of the source of the information received.
- contact the Antitrust Department if there are any doubts.

Participating in a tender

DO NOT:

- discuss with competitors the merits of the tender prior to, or during, the tender;
- send competitors emails and/or messages concerning the tender in which you intend to participate;
- share with, or provide information of any kind on your bid to competitors;
- discuss and/or agree with competitors fixing the price and/or the technical specifications of the bid;
- agree with competitors strategies in respect of allocating individual parts of the tender (e.g. by not submitting any bid at all or by submitting so-called token or fictitious bids);
- submitting a bid through a temporary association of companies (ATI) when you have the technical requisite and economic capacity to participate individually;
- discuss or in any case receive or exchange information with companies that participate in a tender called by a competitor relating to the technical and economic conditions of bids that are to be presented or have been presented.

DO:

- formulate your bid independently, using lawful sources of information;
- preserve any documents that prove that the tender strategy complies with objective and independently identified reasons (economic-financial, organizational and operational) and that the bid submitted is based on the costs sustained;
- in the case of a bid submitted through an ATI with competitors, first contact the Antitrust Department;
- in the case of submitting a bid through an ATI with non-competitors, first contact the Antitrust Department in case of doubt.

Vertical agreements

Vertical agreements that exist between operators belonging to different levels of the production chain may give rise to pro-competitive effects on the market; therefore, they benefit from a more favourable treatment than horizontal agreements. In spite of this, in order to avoid antitrust risks,

it is necessary to adopt the following precautions, when it comes to selling products and accessories:

DO NOT:

- impose fixed or minimum prices on retailers;
- fix the retailer's margin or the maximum level of discounts that he may apply from an established price level;
- make the validity of an agreement subject to the retailer adhering to a given retail price level;
- if a retailer informs you of his price intentions, send the information received to another competing retailer;
- impose restrictions on the passive sales of the resellers.

DO:

- evaluate the compliance of contractual initiatives with rules on competition, with the assistance of the Antitrust Department.

B) Abuse of a dominant position

The simple fact of having a dominant position in a given market is not prohibited, as such, by antitrust law, which only condemns the abuse of such a position. Consequently, particular attention will have to be paid to the forms of conduct adopted by the Group's companies in order to avoid antitrust risks. To this end, first of all you must be aware of the markets in which TIM has a dominant position. Among these markets, we find those in which TIM has a significant market power. However, there may also be a dominant position in unregulated markets (e.g. SMS bulk market).
In the markets where TIM has a dominant position:

DO NOT:

- apply prices or other contractual conditions in a different or discriminatory manner without economic and/or commercial justifications, unless this has first been explicitly approved by the Antitrust Department, insofar as the relevant lawfulness requirements apply;
- make the purchase of a product/service by the client subject to the purchase of another product or service not functionally linked to, and/or independent from, the former;
- impose exclusive purchasing obligations or grant loyalty rebates to the client subject to the fact that he undertakes to purchase from TIM products/services for all (or most) of his needs;
- apply below-cost prices;
- supply a service at an excessively high price to clients - who are competitors in the downstream market - and/or apply prices to end clients that cannot be replicated by efficient competitors;

- apply particularly onerous contractual terms without economic and/or commercial justification, or ask for payments for services which have not been given;

- refuse to supply an essential product/service to a purchaser to compete in downstream markets or do anything that delays or makes it more onerous to obtain the product/service, without economic and/or commercial justifications;

- carry out any pre-emption or lock-in activities, i.e. anti-competitive commercial policies (unreplicable prices, long-term contractual restrictions, withdrawal penalties, etc.) to pre-emptively capture customers, both on mature markets and in new market segments, or to eliminate and/or reduce the contestability of its own client base in order to discourage and/or prevent the entry of new firms into said markets;

- wrongfully use and/or store inside information held on an exclusive basis as an historical operator or obtained through the activities on a wholesale market, in order to obstruct and/or limit competition on a retail market;

- take legal actions or administrative procedures on an instrumental basis solely to obstruct and/or delay the entry of new entities onto the market, or to damage competitors;

- do anything aimed at decisively influencing, on an anti-competitive basis, the decision-making processes of public authorities, providing false and/or misleading information, or activities aimed at obstructing and/or delaying the execution of public tenders.

DO:

- consult the Antitrust Department if doubts arise concerning the existence of a dominant position of TIM in a specific market;

- always consult the Antitrust Department, with a view to obtaining an explicit prior approval, prior to adopting a commercial strategy that envisages a price increase in products/services offered on the market;

- supply wholesale services to operators competing in the downstream market (OLO) on the same technical and commercial conditions on which they are provided to the retail divisions of the Group's companies and with no discrimination whatsoever;

- never behave in a way that resembles behavior condemned by the AGCM (Competition Authority) when their conclusions resulted in the imposition of fines, and comply with the instructions provided by the Antitrust Department to ensure compliance with the letters of warning in those orders (such as the inquiry A500B in which the Authority decided that TIM's behavior on the SMS A2P (Application to Person) market entailed market squeezing of the competitors, which was an abuse of its dominant position).

In order to submit reports on suspicious forms of conduct or presumed infringements of the Antitrust Code of Conduct, please refer to the "Whistleblowing" procedure that regulates the process of receiving, analysing and handling reports, by/from whomsoever sent or received, even if anonymously.