



GUIDANCE FOR TIM SHAREHOLDERS ON THE COMPOSITION OF THE BOARD OF DIRECTORS

Approved by the Board of Directors on 18 January 2024

In compliance with the recommendations of the Corporate Governance Code drafted by the Corporate Governance Committee of Borsa Italiana (hereafter: the Corporate Governance Code) which TIM adopted in the January 2020 edition, the Board of Directors expressed its recommendations on the size and composition of the governing body, with a view to its renewal by the Shareholders' Meeting called to approve the financial statements of the Company as at 31 December 2020.

Reference framework

Without prejudice to the legal requirements in terms of eligibility, composition, and gender balance, the Bylaws of TIM establishes that the number of Directors may vary between 7 and 19, said number being determined by the Shareholders' Meeting and remaining in force until otherwise resolved. At its renewal on 31 March 2021, the number of members of the Board of Directors was determined to be 15.

Slates of candidates for the appointment of the Board of Directors may be submitted by the outgoing Board, or by shareholders who, alone or jointly with others, hold shares that represent at least 0.5% of the capital with voting rights in the Ordinary Shareholders' Meeting or such lesser measure as determined by the regulatory provisions issued by Consob.

Each shareholder may submit only one slate, alone or jointly with others. In doing this, Consob recommends that the shareholders who present a "minority slate" file, together with the slate, a declaration that attests to the absence of connecting relationships, including indirect relationships, with shareholders who hold, including jointly, a controlling or relative majority stake, specifying any relationships that exist with the latter.

Consob also drew attention to the importance of shareholders submitting a slate declaring there is no connection with the one that may have been submitted by the outgoing Board of Directors, specifying any significant relations that may exist and why they were not considered relevant to the existence of a connection.

The individual candidates' acceptance of their candidacy must also be filed with each slate, as must their declarations attesting that there are no grounds for ineligibility or incompatibility and that they meet the prescribed requirements, as well as any other information required by applicable laws or regulations. With the declarations, a curriculum vitae must be filed for each candidate, illustrating their personal and

professional characteristics, and indicating their suitability to qualify as independent, if applicable, in accordance with the legal criteria (pursuant to article 148, subsection 3, as referred to in article 147-ter, subsection 4, of Legislative Decree 58/1998) and the criteria adopted by TIM (i.e. pursuant to the Corporate Governance Code) in addition to the administration and control appointments held in other companies.

In such regard, according to the provisions of TIM's Corporate Governance Principles, generally speaking:

- for the purposes of assessing independence, any relation which has entailed for the Director (or candidate) a revenue of twice or more the annual fees paid by the Company the previous year for the office of non-executive director, is considered significant. In 2023 said annual fee amounted to 100,000 euros gross;
- acting as a director of the Company is not considered compatible with being a director or statutory auditor in more than five companies, other than those subject to the direction and coordination of TIM or controlled by or affiliated to TIM, which are listed companies included in the FTSE/MIB index and/or operate mainly in the financial sector dealing with the public and/or performing banking or insurance activities. In the case of executive directors in companies with the characteristics listed above, the limit is reduced to three. If a Director holds office in more than one company belonging to the same Group, only one appointment held within that Group shall be taken into account when calculating the number of appointments.

Without prejudice to the provisions of the Company's Corporate Governance Principles, when preparing this document the Board of Directors, considering the most recent guidelines published by the proxy advisors,¹ deems to recommend that, in order to ensure the selection of candidates who, once appointed, are able to devote the time needed to the diligent performance of their duties, situations should be avoided in which they hold, in total, more than four positions as members of boards of directors of listed companies, considering (i) a possible role of non-executive chairman as two positions and (ii) a possible role of executive director as three positions.

The Bylaws state that all slates must ensure the presence of candidates meeting the

¹ *Continental Europe Proxy Voting Guidelines, Benchmark Policy Recommendations, 2023, ISS; 2024 Policy Guidelines - Italy, Glass Lewis.*

requirements of independence established by law and /or by the Corporate Governance Code. In addition, slates that contain three or more candidates must ensure that both genders are present. There are no age limits or limits to the number of mandates for candidates, nor are there any professional requisites.

2/3 of the seats (with rounding down to the next whole number) are assigned to the slate which obtains the most votes (the "majority slate"), according to the order in which the candidates are listed, and the remainder to the "minority slate", according to the "quotients method": (i) a single ranking of all the candidates on the various minority slates, based on the quotients, obtained by dividing the number of slate votes by the corresponding position number of the candidate in the respective submission slate, and (ii) the selection, in order, of the candidates with the highest quotients.

Moreover:

- at least half of those elected from each slate (with rounding up to the nearest whole number) must possess the requirements for independence, with a possibility of repêchage within the same slate;
- the Board must be made up for at least two-fifths (with rounding up to the nearest whole number) by Directors of the less represented gender. If the composition of the board resulting from the application of the above criteria does not allow such, a single decreasing ranking of all candidates is drawn up (taken from both the majority and minority slates) in relation to the relative quotient (calculated as above) and the necessary number of candidates of the more represented gender with the lowest quotients are replaced by the candidates of the less represented gender on the same slate, following the order of ranking so as to ensure a gender balance, without prejudice to the requirement of independence wherever the replaced candidate is independent. Should candidates with the necessary characteristics be lacking, the Shareholders' Meeting completes the board with separate vote by absolute majority;
- at least one Director must be appointed from the minority slate which obtained the largest number of votes and is not connected with the shareholders who presented or voted for the slate which came first by number of votes. As indicated above, Consob recommends that all those submitting minority slates provide a declaration that they have no links with the controlling or principal

shareholder.

As for the term of office, in the absence of any provision in the Bylaws, this decision is made by the Shareholders' Meeting, within the maximum legal limit of three financial years. An appointment of three years is consolidated practice, in keeping with the induction time of a new Board.

According to the Bylaws, Directors are entitled to reimbursement of expenses incurred to exercise their functions; Company policy is to align these with the provision made for top management. The determination by the Shareholders' meeting of a total, maximum, annual remuneration for the whole Board of Directors pursuant to article 2389, subsection 1 of the Italian Civil Code (and thus net of remuneration for specific roles pursuant to article 2389, subsection 3 of the Italian Civil Code), assigning its allocation among directors to the Board itself, is consolidated practice. The non-executive Directors are not entitled to any remuneration linked to the company results, nor to any severance pay. For completeness, it should be noted that members of the Board benefit from civil liability (professional risks) insurance, known as a Directors & Officers policy, drawn up as a "claim first made" policy, which is renewed annually and covers all managers and members of the management bodies of the companies of the Group (TIM and subsidiaries), including external directorships to which they are appointed by TIM.

TIM's Corporate Governance Principles envisage the appointment of a Chief Executive Officer and a Chairperson. In recent terms of office (with the exception of a brief period when replacing a CEO) the Chairman has not held executive positions and has qualified himself as independent. As a rule, the Board of Directors also appoints a Lead Independent Director and organizes itself by setting up internal committees (and specifically, in the last term of office: the Sustainability Committee, Control and Risk Committee, Nomination and Remuneration Committee and Related Parties Committee), the powers and composition of which are set out, in keeping with the recommendations of the Corporate Governance Code, in the Company's Corporate Governance Principles.

Under the provisions to which TIM is subject pursuant to the Golden Power law (Decree Law 21/2012, converted into Law 56/2012, as subsequently amended), at least one TIM director must have solely Italian citizenship and have (or be in a position to obtain) the so-called "NOS" (security clearance).

Given the company business, it would be appropriate for the members of the administrative body to individually meet the requirements for entering into contracts with public administrations and carrying out activities subject to authorisation. It should also be noted that TIM holds 49% of the capital of TIMFin S.p.A, which qualifies as a financial intermediary pursuant to article 106 of Legislative Decree 385/1993, and 100% of the capital of TIM MY BROKER S.r.l., a company registered with the Single Register of Insurance and Reinsurance Intermediaries, subject to control by IVASS.

Considering the overall reference framework described and on the basis of the self-assessment exercise (the “Board Review”), carried out for the third and final year of its term of office with the support of Korn Ferry, the Board of Directors expresses its orientation on the requirements of the board being nominated.

Size of the Board of Directors

With reference to corporate governance best practices, the number of members of the Board must be appropriate both to the size and complexity of the companies and to the number and composition of the Board Committees.

Given the experience gained during the last board term and the results of the Board Review, and in view of market trends, the Board considers it advisable to reduce the number of its members from the current number of fifteen directors, consistent with the long-term trend in comparable companies, with the practice in place in several large and very large listed companies, and with the opportunity to contain the outlay costs of corporate governance. In view of the prospective development of Company business and its scope as a result of implementation of the so-called Delaying Plan, the outgoing Board considers the appointment of a nine-member Board of Directors to be appropriate.

Composition of the Board of Directors

The composition must take into account TIM's current and prospective needs, as well as the need to maintain a significant presence of independent directors, with a diversity that takes into account the applicable legal provisions and the recommendations of the Corporate Governance Code.

The Board's skill mix must be well balanced, must enable completion of the Delaying Plan initiated by the current Board, and must support the subsequent development of the Company's industrial strategy.

Considering the role that the Company is called upon to play in the digital transition and development of countries where the Group operates, it seems appropriate for the new Board to be made up of professionals holding skills and experience that allow for a full sharing of the transformation and development path that has already started, with a view to the sustainable development of the company.

The TIM Board, while appreciating the current quality profile, in view of the renewal and the future challenges to be faced, points out the importance of selecting high-profile candidates who can make an effective contribution to Board activities and those of its various Committees. Relevant for this purpose are the strategic vision gained in a technology sector; experience and knowledge of financial, internal control and risk management systems; corporate governance experience.

With reference to digital transformation and transition, the Board emphasises that the new body should include figures with experience in strategic change contexts, also on an international scale, and on the boards of directors of companies, preferably listed, of significant size and/or complexity.

With regard to diversity, including in relation to the criteria set out in art. 2 of the Corporate Governance Code, the Board considers diversification in terms of age, gender, educational and professional background and geographical diversity as relevant.

Candidates should also be determined to work as part of a team and with integrity and a substantial independence of judgement ensuring the absence of bias, even beyond the formal requirements of independence set out in the relevant regulatory framework and Company rules. Absolute, unconditional respect for the requirements of protecting the confidentiality of company information is also decisive. From the social intelligence point of view, great importance will be attached to the ability to seek a correct balance with the opinions of other Board members, facilitating creation of transparent relations, a climate of dialogue that enables conflicts to be managed constructively and leads to effective decisions in the interest of the Company and all its stakeholders.

With regard to the need for new directors to have adequate time and energy, depending on the other commitments they may be involved in outside the Company, please refer to what was previously indicated on the subject of limits on the accumulation of offices.

Chairman

In addition to the characteristics relevant to all Directors, the Board believes that the Chairperson should be a figure with a high professional and value profile, authoritative and with expertise in corporate governance and previous experience in leading boards of directors of listed and complex companies, enabling him/her to ensure internal dialectics and the smooth functioning of the Board plenum, as well as positive interaction with the Committees.

The Chairperson, due to his/her standing - also international - should be a guarantee for all Company shareholders and stakeholders and a guardian of ethics and legality, in line with the Group's Code of Ethics and Conduct².

Chief Executive Officer

In addition to the characteristics relevant to all Directors, the Board believes that the CEO must first and foremost have previous experience in top management roles in listed companies of comparable complexity to TIM, combined with solid knowledge and authority in the Company business, in order to ensure the continuation and completion of the Delaying Plan.

The Board also recommends that the candidate nominated for the role of CEO should enjoy a recognised standing on international markets; bring in a strong propensity for technological innovation and change management; have the ability to involve, motivate and hold together the management team and all TIM people in the Company's transformation and development plan; and embody Group values³.

With reference to the relationship between the Chairman and the Chief Executive Officer, the Board emphasises the need for a complementary relationship between the two figures, in order to ensure effective Company governance, while keeping roles clearly distinct in terms of executive powers.

Committees

With reference to the Committees, the Board deems it generally advisable to confirm their current structure and tasks, albeit in a more restricted composition consistent with

²Code of Ethics and Conduct, approved on 15 March 2023.

³ As identified in the above-mentioned Code of Ethics and Conduct: Trust, Integrity, Courage, Passion, Inclusion.

the intention to reduce the number of Board members, in order to achieve even greater efficiency and effectiveness in the performance of their prerogatives.

TIM S.p.A.

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