



## SHAREHOLDERS MEETING - YEAR 2021

### PROCEDURE FOR THE PRESENTATION OF A SLATE FOR THE RENEWAL OF THE BOARD OF DIRECTORS BY THE OUTGOING BOARD OF DIRECTORS

Approved by the Board of Directors on January 20, 2021

## *I. Introduction*

1. In accordance with article 9.2 of the Bylaws of Telecom Italia S.p.A., the outgoing Board of Directors has the right to submit a slate for the appointment of the Board of Directors, as do shareholders who individually or jointly represent at least 0.5% of the capital with voting rights.
2. At the end of the term of office and during the formulation of its guidance on the optimal size and composition of the governing body, in view of the renewal by the Shareholders' Meeting called to approve the financial statements of the Company at 31 December 2020 and considering the absence of a controlling shareholder, the Board of Directors of TIM decided to make use of the aforementioned option.
3. This decision was made on the basis of the experience acquired since its establishment, in its awareness of the results achieved over the last three years, but above all the important work that still remains to be done in view of the completion of the digital transformation process undertaken and in progress. Above all in this highly delicate phase of company life, characterised by transformational processes involving the asset that has always distinguished TIM's traditional business, but that also extend to its future as a global ICT operator, the Board does not consider it sufficient to draw up its motivated recommendations in view of the appointment of the body that must succeed it in the strategic direction of TIM, guiding it in the deployment of many ongoing projects. Vice versa, it considers it its direct responsibility to submit a slate, with the intention of it qualifying as a majority slate, that combines "theoretical" consistency with those recommendations on the practical selection of a team of people capable of implementing them.
4. In summary, the serving Board of Directors considers itself the most suitable body to make an informed and motivated proposal to shareholders, given its actual knowledge of TIM's state of affairs in terms of share ownership, organisation, outlooks, critical issues, risks and opportunities.
5. The initiative to propose the presentation of a slate of candidates to the Board stems from the joint wish of the Chairman and Chief Executive Officer, who first shared it with the Nomination and Remuneration Committee and then, on the basis of its favourable opinion, submitted it for discussion at a full board meeting.

This led to the definition of a few simple rules that will govern the process of drawing up and presenting the slate.

6. The coordination of the process has been entrusted to the Chairman of the Board of Directors, as an independent and *super partes* figure. He will provide constant updates on how the process is progressing to the Board which will make all the necessary choices, both interim and final.
7. The process will be handled in a strictly confidential manner, but the slate presented by the Board of Directors will be accompanied in due course by a specific descriptive report of the activities carried out and the reasons for the choices made.

## **II. *Regulatory and procedural references.***

8. While the Consolidated Law on Finance (Italian Legislative Decree no. 58 of 24 February 1998), as subsequently amended, does not contain any specific provisions on the presentation by the Board of Directors of a slate for the renewal of the same body, the current Corporate Governance Code expressly provides (in the recommendations relating to article 4) the possibility for the outgoing Board of Directors to present a slate, envisaging, inter alia, that this right should be implemented by following procedures that ensure its transparent formulation and presentation.
9. Pursuant to article 4 of the Corporate Governance Code the self-assessment process and the consequent guidance expressed by the Board on its quantitative and qualitative composition deemed to be optimal are the natural starting point of the procedure for the presentation of the slate by the outgoing Board of Directors.

## **III. *The subjects involved in the procedure.***

10. The subjects involved in the slate presentation procedure (the Procedure) are:
  - (i) the Board of Directors, which has approved the Procedure and must make the final decisions on the drawing up of the slate and its presentation;

- (ii) the Chairman of the Board of Directors (hereinafter also referred to as the “Chairman”), whose task will be to coordinate and manage the stakeholder engagement process and the drawing up of the slate;
- (iii) the Nomination and Remuneration Committee, which the Chairman consults, also for the purpose of scrutinizing consistency with the rules and criteria set by the Board;
- (iv) the consultant Professor Andrea Zoppini, who will provide the Board of Directors legal advice in connection with the activities the present Procedure foresees;
- (v) the consultant Egon Zehnder Italia, already appointed by the Nomination and Remuneration Committee to support the Board in carrying out the self-assessment in each of the three years 2018, 2019 and 2020, which will provide professional support in the search for and assessment of candidates;
- (vi) the shareholder service firms Georgeson and Morrow Sodali, which over the years have acted as information agents and corporate strategic advisors to TIM in exchanges with the market;
- (vii) the corporate departments (in particular: Investor Relations, Human Resources and Organization, Legal & Tax).

#### **IV. *Phases of the procedure.***

11. In light of the previous observations and taking into account the aforementioned indications of the Corporate Governance Code, the slate presentation process observed by the Board of Directors is broken down into the following phases.

*Self-assessment of the Board of Directors and guidance report on the optimal qualitative composition*

12. Egon Zehnder Italia (EZI)

- (i) supported the Board of Directors in performing the self-assessment (in FY 2020: self-assessment and peer review);
- (ii) reported its results to the Nomination and Remuneration Committee and the full board;
- (iii) contributed to the drafting of the guidance opinion (hereinafter also referred to as the Guidance).

13. The Nomination and Remuneration Committee

- (i) received the report on the outcomes of the self-assessment drawn up by EZI;
- (ii) opined favourably on the Guidance and submitted it to the full board.

Kick-off of the process for the presentation of a slate of candidates by the outgoing Board of Directors

14. The Board of Directors

- (i) acknowledges the Guidance duly approved and immediately makes it public in compliance with article 4 of the Corporate Governance Code;
- (ii) approves this Procedure and makes it public;
- (iii) confirms EZI as consultant for the purposes of drawing up the slate and appoints Professor Andrea Zoppini.

Preliminary consultation of the main stakeholders

15. The preliminary consultation of the main stakeholders will exclusively address the qualitative and quantitative profiles of the Board composition, consistently with the engagement policy and the Guidance, as well as the strategic guidelines of the Board, in compliance with applicable rules referring to insider information.

16. The process includes an initial phase overseen by the Chairman

- (i) of consultation with stable and reference shareholders (Vivendi S.A. and Cassa Depositi e Prestiti S.p.A., respectively holders of approximately 23.75% and 9.81% of the Company's ordinary share capital),

- (ii) market engagement through exchanges with professional investors (with a specific focus on equity investors), representative associations and proxy advisors, through the shareholder service firms,

based on the willingness demonstrated by the different interlocutors.

- 17. The preliminary consultation is coordinated by the Chairman and is carried out in compliance with the Company's Engagement Policy.

#### Selection of candidates

- 18. The Chairman
  - (i) prepares, with the support of EZI and on the basis of the Guidance, a first analysis of the criteria for the selection of the candidates for the purposes of drawing up the slate;
  - (ii) formulates a selection criteria proposal for the purposes of drawing up the slate and submits it to the Nomination and Remuneration Committee,
    - in keeping with the Guidance and
    - taking into account the stewardship indications collected during the engagement activities, as per items 15 and 17.
- 19. The Nomination and Remuneration Committee expresses its opinion on the Chairman's proposal.
- 20. On the basis of the Chairman's proposal, having obtained the opinion of the Nomination and Remuneration Committee, the Board of Directors establishes the selection criteria for the identification of the candidates for the purposes of drawing up the slate.
- 21. EZI draws up an initial list of potential candidates, also considering available members of the outgoing Board, in line with the criteria set by the Board of Directors.
- 22. Together with EZI, the Chairman draws up a first provisional list of candidates, which may include directors in office as well ("longlist").
- 23. The Chairman submits the longlist *[Ed: assess whether to exclude self-candidacies in this phase]* to the Nomination and Remuneration Committee first and then to

the Board of Directors, in order to receive any indications and suggestions, including on the its increase, to be shared with EZI.

24. EZI contacts the potential candidates for interviews, after checking their availability, and collects the necessary documentation to assess the requirements.
25. The Chairman, on the basis of the analysis conducted by the consultant and with its support, holds individual interviews with each of the possible candidates and, once the interview phase is complete, defines the shortlist of candidates for inclusion on the slate.
26. The shortlist of candidates will be drawn up taking into account the composition requirements laid down by law and the Bylaws (at least half of the Directors drawn from each slate must meet the independence requirements and the slates with over three candidates must ensure the presence of both genders), on the basis of the results of the self-assessment and the peer review carried out by the Board of Directors, as well as the Guidance on the optimal size and composition of the administrative body, published at the same time as this Procedure.

#### Preparation of the slate

27. The Chairman of the Board of Directors submits for the opinion of the Nomination and Remuneration Committee the results of the preparatory work carried out, and therefore:
  - (i) the shortlist and the final slate to be submitted to the Shareholders' Meeting;
  - (ii) the additional proposals relating to the quantitative composition, duration of the term of office and fees of the new Board members.
28. The Nomination and Remuneration Committee expresses an opinion on the proposal made by the Chairman in terms of how consistent the process followed is with the rules and criteria established by the Board, as well as the consistency of the profiles identified with respect to the recommendations contained in the Guidance.

29. The Board of Directors, on the basis of the overall analysis carried out and taking into account the Guidance, approves the slate of candidates, identifying the candidate for the role of Chief Executive Officer from the shortlist of names selected, accompanying it with a report on the preliminary process completed. The Board identifies as well the candidate selected to hold the role of Chairman from the shortlist, taking into account the defined selection criteria.
30. The Board of Directors files its slate and the report on the preliminary process as much in advance of the AGM as possible, and in any case before the deadline set forth for the shareholders to file their slates.

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