

**Report of the Board of Statutory Auditors to the Shareholders' Meeting
pursuant to article 153 of Italian Legislative Decree No. 58/1998**

Dear Shareholders,

This report (hereinafter the “Report”) provides information about the supervisory activities carried out by the Company’s Board of Statutory Auditors in FY 2020 and to date, as prescribed by the law, the standards of conduct of the Board of Statutory Auditors recommended by CNDCEC (the Italian board of chartered accountants and accounting consultants), Consob notices on company controls and the indications given in the Corporate Governance Code.

The Board of Statutory Auditors has acquired the information necessary for the performance of the tasks of general supervision assigned to it by attending meetings of the Board of Directors and the board committees, meetings with the Company management, meetings with the external auditor, with the Supervisory Body and with the corresponding control bodies of the TIM Group companies, analysis of information flows from the competent company departments, as well as further control activities ⁽¹⁾.

This Report is prepared as required by Consob Notice no. DEM/1025564 of 6 April 2001 and subsequent amendments and supplements.

⁽¹⁾ At the same time as revising the 231 Organisational Model, and with a view to strengthening oversight of 231 topics, in seeking to pursue continuous improvement, also taking into account the results of a benchmark analysis of the main market players, starting 1 April 2020, the Board of Directors resolved - after having obtained the consent of the Board of Statutory Auditors to waive holding said role - to assign the duties of Supervisory Body pursuant to Italian Legislative Decree no. 231/2001 to a specific body comprising a Statutory Auditor, the Head of the Audit Department and two external professionals (of whom one would act as Chairman).

1. CONSIDERATIONS ON TRANSACTIONS OF MAJOR IMPACT ON ITS REVENUES, FINANCES AND ASSETS UNDERTAKEN BY THE COMPANY, AND THEIR COMPLIANCE WITH THE LAWS AND THE COMPANY ARTICLES OF ASSOCIATION

On the basis of the information received and as a result of the analyses conducted, it emerged that the transactions carried out by the Company in FY 2020 which have major impact on revenues, finances and assets, including transactions performed through companies in which the Company has a direct or indirect stake, are essentially made up as follows:

- merger by incorporation of Vodafone Towers S.r.l. into INWIT S.p.A., which was followed by: (i) the sale of a package of 4.3% of the share capital of INWIT S.p.A. to institutional investors, (ii) the conferral of 30.2% of INWIT shares to the SPV Daphne 3 S.p.A., a newly-established holding company controlled by TIM, which has taken over from TIM in the shareholders' agreements reached with Vodafone Europe BV, through which TIM and Vodafone exercise joint control of INWIT S.p.A. and (iii) sale of the remaining 3% held by TIM in INWIT S.p.A. to an SPV managed and assisted by Canson Capital Partners Limited;
- merger by incorporation of TIM Vision S.r.l., TN Fiber S.r.l. and HR Services S.r.l. in TIM;
- partial demerger, in TIM's favour, of the Olivetti S.p.A. "*Scuola Digitale*" (Digital School) BU;
- acquisition of control over Noovle S.r.l., an Italian ICT consulting and system integration company, specialised in supplying cloud solutions and projects and one of Google Cloud's leading partners on the Italian market;
- effect of the merger by incorporation of TIM Participações in its subsidiary TIM S.A.; and
- stipulation of the agreements with KKR Infrastructure and Fastweb S.p.A. concerning the establishment of FiberCop, the newco to which TIM's secondary network and the fibre network developed by Flash Fiber, the joint venture established with Fastweb, will be conferred. In parallel, a letter of intent has been signed with CDP Equity (CDPE) with a view to pursuing the project for the creation of a single national network (AccessCo) by means of the merger of

FiberCop and Open Fiber and through a shared governance mechanism with CDPE.

The transactions indicated above are listed in the notes to the consolidated financial statements of the TIM Group and the notes to the separate balance sheet of TIM S.p.A., as well as in the report on operations for the year 2020.

The Board of Statutory Auditors has verified that the above transactions comply with the law, the Company bylaws and the principles of correct administration, and has made sure that they were not manifestly imprudent or hazardous, in conflict with the resolutions adopted by the Shareholders' Meeting or likely to compromise the integrity of the corporate assets.

It is also pointed out that following year end, the following significant events took place:

- on 11 January 2021, TIM successfully completed the issue of its inaugural 1 billion euros Sustainability Bond, with 8 year maturity, set to increase the Group's energy efficiency and finance Green and Social projects. TIM priced its loan well below the secondary market of reference setting the annual coupon at 1.625%. This transaction also saw TIM extend the average debt maturity and receive new funds for the amount exceeding the 2021 deadlines. The proceeds will be used to transform the copper network into fibre which is expected to deliver significant energy efficiency. Moreover, for the first time in Italy, a corporation will invest part of the funds collected into projects with social value, as envisaged in the Sustainability Financing Framework; and
- on 25 January 2021, TIM announced the birth of Noovle S.p.A., the company wholly owned by the TIM Group intended to become a centre of excellence for Cloud and edge computing, boosting TIM's innovative public, private and hybrid cloud services to businesses - from SMEs to industry - and public administration, accelerating the digital transformation of the country. In particular, TIM has entrusted Noovle S.p.A. with the task of building six new Data Centres and managing seven Data Centres that are already operative, spread throughout the country.

Finally, please note that as at 31 December 2020, TIM has benefited from the possibility of realigning the tax values to the greater value of the assets booked,

specifically the value of goodwill, as envisaged by Decree Law 104/2020, Art. 110, subsections 8 and 8 bis. This will make it possible, starting 2021 and upon payment of substitute tax of 3% of the realigned value, deduct this amount over 18 financial years. This has led to the recording of deferred tax assets as at 31 December 2020 of 6.6 billion euros against the benefits enjoyed in terms of IRES and IRAP.

2. REPORT OF ANY ATYPICAL AND/OR UNUSUAL TRANSACTIONS, INCLUDING INTRA-GROUP OR RELATED PARTY TRANSACTIONS

During the course of 2020 the Board of Statutory Auditors did not encounter atypical and/or unusual corporate transactions with third parties or related parties (including the companies within the Group).

The transactions with Directors' interests or with other related parties, were subjected to the transparency procedure set out in the applicable regulations.

The information relating to the principal intra-group transactions and with other related parties executed in the financial year 2020, and the description of their characteristics and related economic effects is contained in the notes to the separate financial statements of TIM S.p.A. and to the consolidated financial statements of the TIM Group.

3. ASSESSMENT OF THE ADEQUACY OF THE INFORMATION PROVIDED IN THE DIRECTORS' REPORT ON OPERATIONS CONCERNING ATYPICAL AND/OR UNUSUAL TRANSACTIONS, INCLUDING INTRA-GROUP AND RELATED PARTY TRANSACTIONS

The Board of Statutory Auditors believes that the report on the Company's transactions with related and intra-group parties, given in the notes to the separate financial statements of TIM S.p.A. and in the notes to the consolidated financial statements of the TIM Group, should be considered adequate.

4. REMARKS AND PROPOSALS ON THE REPORTING REFERENCES AND NOTES CONTAINED IN THE REPORT OF THE INDEPENDENT AUDITOR

On 10 March 2021, the independent auditor EY S.p.A. (hereinafter also referred to as “EY”), issued the reports pursuant to art. 14 of Legislative Decree no. 39/2010 and art. 10 of Regulation EU no. 537/2014, attesting that the separate financial statements of TIM S.p.A. and the consolidated financial statements of the TIM Group as at 31 December 2020 provide a truthful and correct representation of the equity and financial position, the economic results and cash flows for the year ended as at that date, in compliance with the International Financial Reporting Standards adopted by the European Union, as well as with the provisions issued in implementation of Article 9 of Legislative Decree no. 38 of 28 February 2005.

On 10 March 2021, EY also issued the additional Report for the Committee for Internal Control and Audit on the results of the external audit of the accounts, which also includes the declaration on the independence of the external auditor.

This report effectively revealed that *“During the audit of the Company’s financial statements and of the Group’s consolidated financial statements closed as at 31 December 2020, no significant issues were identified in respect of cases of effective or alleged non-conformity with laws and regulations or statutory provisions.”*

The Board of Statutory Auditors will inform the Company's Board of Directors of the results of the external audit, to this end sending across the additional report complete with any observations.

The independent auditor also considers that the report on operations and the information in the Report on corporate governance and share ownership indicated in art. 123-*bis*, subsection 4 of the CLF are consistent with the TIM S.p.A.’s financial statements for the period and the consolidated financial statements for the TIM Group at 31 December 2020.

The Board of Statutory Auditors and the Independent Audit firm exchanged information continuously, despite the objective operative difficulties that ensued following the COVID-19 health emergency.

5. REPORTS ON THE PRESENCE OF ANY COMPLAINTS PURSUANT TO ARTICLE 2408 OF THE ITALIAN CIVIL CODE REGARDING INITIATIVES UNDERTAKEN AND THEIR OUTCOMES

From the date of the previous report (31 March 2020) until the date of this Report (10 March 2021), two reports were received from Company shareholders, made in accordance with art. 2408, subsection 3 of the Civil Code.

The first report relates to a dispute between the Company and the reporting shareholder, concerning findings regarding the failure to settle said dispute. The Board of Statutory Auditors conducted suitable investigations with the help of the Legal & Tax Department, on which basis it believes that the report is unfounded and has, therefore, resolved not to follow up any further.

The second report made has been classified not as a report pursuant to Art. 2408, as indicated by the reporting party, but rather as a commercial complaint. The Board in any case monitored the resolution process by the competent corporate department, verifying that it was closed with customer satisfaction.

6. REPORT ON THE PRESENCE OF ANY COMPLAINTS REGARDING INITIATIVES UNDERTAKEN AND THEIR OUTCOMES

A procedure is in place regulating the methods by which reports can be made to the control body. There are instructions on the About Us section of the Company's website (Company Bodies – Board of Statutory Auditors – Role, tasks and responsibilities), for sending such reports - in paper or electronic format - to the Board of Statutory Auditors of the Company.

The Company has also equipped itself with a new Whistleblowing Procedure, updated also following the assignment of the role of Supervisory Body to a separate body from the Board, which envisages the institution of information channels able to guarantee the receipt, analysis and processing of reports made relating to internal control problems, corporate information, administrative liability of the Company, fraud or in any case behavioural anomalies in reference to TIM staff or third parties, in violation of laws and regulations and/or non-conformity with the Code of Ethics and the Organisational Model 231, as well as with the system of rules and procedures in force in the TIM Group, submitted by employees, members of company bodies or third parties, even anonymously.

From the date of the previous Report (31 March 2020) and until the date of this Report (10 March 2021), the Board of Statutory Auditors received 24 reports, complaining, for the most part, of technical service issues and failures of a commercial, accounting and administrative nature, as well as one report relating to the tender for the purchase of technological devices on a global level.

The Board of Statutory Auditors investigated all these reports appropriately, with the support of the Audit Department and the competent Company departments, but no irregularities to be reported to the Shareholders' Meeting have emerged. Please note that a specific investigation has been carried out in respect of the specified tender, first by the Compliance Department and then by the Audit Department, of both the Group companies involved. These investigations revealed aspects for improvement in reference to how the Group handles global tenders.

For 4 reports, at the date of this Report, investigations are still in progress.

7. REPORT ON ANY APPOINTMENTS CONFERRED ON THE INDEPENDENT AUDITOR AND THE CORRESPONDING COSTS

During the 2020 financial year TIM S.p.A. appointed EY S.p.A. to undertake various tasks other than audits of financial statements, the fees for which, before VAT and out-of pocket expenses, are summarised below:

EY S.p.A.	in Euro
<ul style="list-style-type: none"> • Audit procedure carried out pursuant to the International Standards on Auditing (ISA 805 - Revised): <ul style="list-style-type: none"> ➢ on the turnover of FY 2019 recorded by the company shop of TIM S.p.A. at Rome “Leonardo da Vinci” airport; 8,500.00 ➢ on the Consolidated Statements of Cash Flows of TIM S.p.A. at 30.06.2020 15,000.00 	
<ul style="list-style-type: none"> • Issue of the comfort letter connected with the renewal of the Euro Medium Term Notes Programme for an amount of up to 20 billion euros 40,000.00 	
<ul style="list-style-type: none"> • Review of the working papers of other independent auditors relative to INWIT S.p.A. on the Consolidated financial report as at 30.06.2020 and on the Consolidated financial statements as at 31.12.2020 70,000.00 	
<ul style="list-style-type: none"> • Auditing/control services (certification of conformity with UNI ISO 26000) connected with the obtaining of specific contribution reductions (INAIL) 15,000.00 	
<ul style="list-style-type: none"> • Voluntary appointments related to the assessment of Segregation of Duties (SOD) matters: <ul style="list-style-type: none"> ➢ Assessment i) of the technical matrix with respect to the reference leading practice and business processes, ii) following the switch to the SAP S/4 HANA system and the set-up of the SAP GRC Access control monitoring tool; 184,307.00 ➢ Assessment and findings on i) completeness of the SOD risks with respect to the SAP S/4 HANA tool ii) assessment of the alignment of the functional matrix with the leading practices of the reference TMT segment 40,000.00 	
<ul style="list-style-type: none"> • Voluntary appointments for Assurance activities on the migration processes: <ul style="list-style-type: none"> ➢ Verification of the migration process and reconciliation of accounting data concerned by the migration from SAP P1E to the new SAP S/4 HANA system; 180,000.00 ➢ Assurance activities of the migration process of certain TIM infrastructures and applications deriving from the changes made by the computer systems impacting financial reporting 420,000.00 	
Overall total	972,807.00

In addition, during the period between 1 January 2021 and the date of this Report, TIM S.p.A. conferred upon EY S.p.A. the following additional appointments, other than audits of financial statements, the fees for which, before VAT and out-of pocket expenses, are summarised below:

EY S.p.A.	in Euro
<ul style="list-style-type: none"> • Auditing/control services (carried out in accordance with ISA 805 - Revised) connected with the use of specific tax treatments (tax credit for research and development activities and technological innovation) 	90,000.00
<ul style="list-style-type: none"> • Issue of comfort letters in relation to the issue of bonds (Sustainability Bond) 	40,000.00
<ul style="list-style-type: none"> • Voluntary appointment relative to the assurance and assessment of the Non-Financial Statement (carried out according to ISAE 3000 and ISAE 3410) 	76,000.00
<ul style="list-style-type: none"> • Voluntary appointment for the issue of a report on the complete examination of the European Single Electronic Format (“ESEF”) disclosure in reference to the consolidated financial statements of TIM S.p.A. as at 31 December 2020 (activity carried out in accordance with standard ISAE 3000 Revised) 	20,000.00
Total	226,000.00

In accordance with the current “Guidelines for the Conferral of Appointments on Independent Auditors”, the conferral of the above appointments had been approved in advance by the Board of Statutory Auditors.

8. REPORT ON ANY APPOINTMENTS CONFERRED ON PARTIES CONNECTED BY CONTINUING RELATIONSHIPS WITH THE INDEPENDENT AUDITOR AND THE CORRESPONDING COSTS

During FY 2020 and in the period running between 1 January 2021 and the date of this Report, TIM S.p.A. did not confer any appointment on subjects bound by continuous relationships with EY S.p.A. and/or companies belonging to the latter’s network.

9. REPORT ON THE EXISTENCE OF OPINIONS ISSUED PURSUANT TO LAW DURING THE FINANCIAL YEAR

Pursuant to article 2389, subsection 3, of the Italian Civil Code, the Board of Statutory Auditors issued its favourable opinion on:

- the variable remuneration objectives (MBO 2020) scorecard of the Chief Executive Officer; and

- the remodulation of the fixed component of remuneration recognised to the Chief Executive Officer, consisting of the restructuring of the comprehensive gross fixed annual amount of 1.4 million euros as (i) 1,300,000 euros by way of Gross Annual Remuneration for the contract of employment and (ii) 100,000 euros as compensation for the office of Chief Executive Officer pursuant to Art. 2389, subsection 3, of the Italian Civil Code.

The Board of Statutory Auditors has also stated, in accordance with the Company's Corporate Governance Principles:

- favourable opinion on the objective scorecards for the short term incentive scheme (2020 MBO) for the Heads of the control departments (Audit Department, Compliance Department and IT & Security Compliance Function);
- opinion on the appointment of the Director Salvatore Rossi as Chairman of the Board of Directors with the sole attributions resulting from the Bylaws, the law and the Company's corporate governance documents, on the confirmation and ascertainment of him as independent director and on the confirmation of the economic treatment already assigned; and
- opinion on the appointment of the director Frank Cadoret as member of the Sustainability and Strategies Committee with the economic treatment already assigned.

Finally, in accordance with the Corporate Governance Code, the Board of Statutory Auditors formally expressed its favourable opinion on the 2021 preliminary Audit Plan, examined by the Board of Directors in the meeting on 3 February 2021, and which will be consolidated during a subsequent meeting of the Board.

10. REPORT ON THE FREQUENCY AND NUMBER OF MEETINGS OF THE BOD, EXECUTIVE COMMITTEE AND BOARD OF STATUTORY AUDITORS

In 2020, the Company's Board of Directors held 14 meetings, at which the Board of Statutory Auditors was always present.

The Control and Risk Committee met 11 times, the Nomination and Remuneration Committee met 10 times, the Related Parties Committee met 6 times and the Sustainability and Strategies Committee (formerly the Strategy Committee) met 4 times. The Board of Statutory Auditors attended the meetings of all board committees, with the attendance of its Chairman and/or another Auditor, supervising the relevant activities.

The Board of Statutory Auditors held 24 meetings in 2020, of which 2 in the exercise of the role of Supervisory Body pursuant to Italian Legislative Decree 231/2001 (see below). In 2021 and up to the date of approval of the Report 7 meetings have been held.

The majority of the members of the Board of Statutory Auditors attended (by audioconferencing connection) the Shareholders' Meeting held on 23 April 2020 in the manner permitted by the exceptional regulations set out in Decree Law no. 18 of 17 March 2020.

11. REMARKS ON COMPLIANCE WITH THE PRINCIPLES OF CORRECT ADMINISTRATION

The Board of Statutory Auditors supervised compliance with the principles of correct administration, by attendance at the meetings of the Board of Directors and board committees, holding meetings with the executive responsible for preparing the corporate accounting documents, the Head of the Audit Department, the Group Compliance Officer, the Head of the IT & Security Compliance function and by means of interviews with the Company management and the acquisition of information. In particular, the Board acquired information about the TIM anti-bribery management system for the purposes of standard UNI ISO 37001, which reveals substantive compliance with the requirements indicated by the standard and that the Company's Anti-Bribery Management System has been implemented in compliance with the requirements laid down in reference documentation, albeit in view of certain recommendations and points for improvement on non-critical aspects.

The Board of Statutory Auditors believes that the governance arrangements and tools adopted by the Company overall constitute an appropriate supervisory framework to ensure that the principles of correct administration are respected in operational practice. The Board of Statutory Auditors has supervised on proceedings followed in the deliberations of the Board of Directors and has ascertained that the management choices complied to the applicable rules (substantial lawfulness), adopted in the interests of the Company, compatible with the resources and the company's assets and adequately supported by information, analysis and audit processes, including with recourse, when deemed necessary, to advice from committees and external professionals.

12. REMARKS ON THE ADEQUACY OF THE ORGANISATIONAL STRUCTURE

The Board of Statutory Auditors has monitored the evolution of the TIM Group's organisational structure (also in accordance with golden power regulations, as per the provisions of the Decrees of the President of the Council of Ministers of 16 October 2017 and 2 November 2017), defined in accordance with, on the one hand, the organisational and managerial autonomy of the Parent Company and its subsidiaries and, on the other, the exercising of direction and coordination by TIM with regard to the direct or indirect subsidiaries.

More specifically, the Board of Statutory Auditors has monitored the principal changes in the organisational structure of the TIM Group through meetings held with the Head of the Human Resources & Organisational Development Department, the Heads of the main corporate structures and by acquiring the organisational communications which had produced an impact on the first and second tiers that report directly to TIM's executive directors or on the macro-organisation of the Group's companies.

13. REMARKS ON THE ADEQUACY OF THE INTERNAL CONTROL SYSTEM, IN PARTICULAR ON THE ACTIVITY OF THE INTERNAL CONTROL MANAGERS, AND HIGHLIGHTING OF ANY CORRECTIVE ACTIONS UNDERTAKEN AND/OR TO BE UNDERTAKEN

The Board of Statutory Auditors has acknowledged the overall assessment of the internal control and risk management system by the Head of the Audit Department, the conclusions of which are set forth below: *“in view of the activities carried out by the Audit Department during the reference period on specific operative contexts, which revealed control topics and improvements to be made; of the report on the implementation of corrective action deriving from the audits; of the assessments provided by the Compliance Department and IT & Security Compliance Department of TIM S.p.A. and the Head of Audit of TIM S.A. as at 31.12.2020; of the specific initiatives taken and/or started in the reference period by the management with a view to strengthening the ICRMS; of the report by the independent auditor presented to the CRC on 3 December 2020; as at 31 December 2020, no situations or critical issues have emerged such as to consider the TIM Internal Control and Risk Management System inadequate as a whole.*

The Board of Statutory Auditors shared the assessment of overall adequacy of the internal control and risk management system as formulated by the Head of the Audit Department, also taking into account the fact that in 2020, the Audit Department carried out checks mainly focussed on the analysis of the most critical areas in terms of supporting the TIM Group in its strengthening of processes and improvement of operative efficiency. Please note that the commitment level on the implementation of the remediation and strengthening programmes of the ICRMS has had a positive impact on respect for the due dates envisaged for carrying out the corrective action and on rescheduling requests. The Board points out that the strengthening of the internal control system is a process that is still in progress and which may, therefore as yet evolve in various areas.

In order to express its opinion on the overall strength of the internal control system, the Board of Statutory Auditors has also monitored the work carried out by the main players in the internal control and risk management system, also with

reference to specific aspects, such as special powers (“golden power”). In particular, insofar as coming under its purview, the Board of Statutory Auditors also monitored the improvements made and action taken to mitigate risks, in some cases requesting specific, additional strengthening of the control measures. The Board of Statutory Auditors acknowledged the results of the first and second level controls, by virtue of the powers and auditing functions attributed by Prime Ministerial Decree no. 5 of 06/11/2015, coordinated with the Prime Ministerial Decree no. 3 of 02/10/2017, to the TIM Security Officer. The latter declared that in 2020, with reference to the three sectors of activity of the department (Industrial Security, Communication and Information System Security and Security of Classified Communications and Encryption Service Procedures), complete compliance was seen: (i) in the conservation and management of the classified documentation; (ii) in the protection of classified materials; and (iii) in the carrying out of confidential activities.

It is also noted that TIM has voluntarily adhered to the Collaborative Compliance regime and that the Board has acquired the Report prepared by the Head of the Reporting and Fiscal Monitoring Department, in accordance with art. 4, subsection 2 of Italian Legislative Decree no. 128/2015, aiming to explain to the Board of Directors, under the scope of the System for the Management and Control of the Tax Risk (the “Tax Control Framework”) adopted by the Company, the audits carried out in 2020, the results recorded and the remediation measures implemented, as well as the activities planned for 2021.

The Board of Statutory Auditors has exchanged information with the corresponding control bodies of the principal domestic subsidiary companies, taking note of the assessments that the related internal control systems are adequate overall. It also met with the *Comitê de Auditoria Estatutário* of TIM S.A. and with the Audit Committee of Telecom Italia Capital S.A. and Telecom Italia Finance S.A., acknowledging the assessment of overall adequacy of the internal control system of the Brazilian company and the Luxembourgian companies.

The internal control and risk management system also includes the Organisational Model 231, the organisation and management model designed to prevent the commission of offences that could result in liability for the Company, pursuant to Legislative Decree No. 231/2001. The Organisational Model 231 has been adopted by domestic subsidiaries of the Group as well as by TIM.

During the period running between 1 January 2020 and 31 March 2020, the Board of Statutory Auditors, in the role of Supervisory Body, met twice, taking into account the fact that starting 1 April 2020, the duties of Supervisory Body have been assigned to a specific body, separate from the Board of Statutory Auditors.

The Board of Statutory Auditors has subsequently acquired information from the Supervisory Body during specific meetings, as well as through the examination of the six-monthly reports it prepares.

No discrepancies were noted between that represented in the documents produced by the management, the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001 and the company in charge of performing the external audit of the accounts.

The latest version of the Model 231 was approved on 10 November 2020 and incorporates the new legislation introduced by Italian Legislative Decree no. 75 of 14 July 2020 (incorporating the PIF Directive), which has expanded the list of predicate offences.

The TIM Group has adopted an Enterprise Risk Management Model (ERM) which enables risks to be identified and managed in a homogenous way within the Group companies, highlighting potential synergies between the players involved in the assessment of the internal control and risk management system. The process is managed by the Risk Management Steering Committee, which provides governance of the Group's risk management, aimed at containing the level of exposure within acceptable limits and guaranteeing the operational continuity of the business by monitoring the effectiveness of the countermeasures adopted. The

Board of Statutory Auditors has acknowledged that, on 23 February 2021, the Board of Directors defined the risk that was acceptable for the Group (Risk Appetite) and the acceptable levels of deviation from the principle company objectives (Risk Tolerance) under the scope of the Industrial Plan. It is noted that starting July 2020, the Company has launched work on the new ERM process with the aim of identifying and quantifying the strategic risks that may compromise the achievement of the Business Plan targets and significantly impact the expected results. The main developments that have been finalised are related to the extension of the Market Model and Consolidated Model and the analysis and integration of the credit, regulatory and technological risk.

The Board of Statutory Auditors has monitored compliance with the provisions of law and regulations of the Procedure for the execution of transactions with related parties, its effective implementation and its actual functioning.

The Board of Statutory Auditors has been constantly informed of transactions with related parties and verified compliance by the Company with applicable regulations.

In compliance with Italian Legislative Decree no. 254/2016 (hereinafter the “Decree”), TIM has been required to disclose non-financial information since FY 2018.

The TIM Group NFS contains a description of topics regarding: the corporate management model, corporate governance, stakeholder engagement, the materiality matrix and risk management, the results achieved by the Company on topics relevant to the environment, the value chain and human rights.

On 10 March 2021, the independent audit firm issued a specific report containing the certification of the conformity of the information provided in the NFS with that required by the Decree and reporting standards used, which reads “*attention has not been drawn to any elements that would suggest that the TIM Group NFS relative to the year ended 31 December 2020 has not been prepared, in all*

significant aspects, in compliance with that required by Articles 3 and 4 of the Decree and the GRI Standards”.

The Board of Statutory Auditors has obtained regular updates on the conduct of activities prior to preparing the NFS and has monitored observance of the provisions pursuant to the above Decree under the scope of the duties assigned it by the system and, in particular, on the adequacy of the procedures, processes and departments overseeing the production, reporting, measuring and representation of the results and of information of this nature.

Reference is made to TIM’s 2020 Report on the Corporate Governance and Share ownership for more information about the Company’s internal control and risk management system.

14. REMARKS ON THE ADEQUACY OF THE ADMINISTRATIVE AND ACCOUNTING SYSTEM AND ITS ABILITY TO FAIRLY REPRESENT OPERATIONS

In order to guarantee compliance with Italian laws, TIM operates a structured and documented model of detection and monitoring of risks connected to financial reporting, which refers to the 2013 CoSo framework. This model, managed with the help of a specific piece of software, regards the internal controls associated with the risks identified on the financial reporting and the consequent assessment activities, with precise attributions of responsibility, in compliance with the principle of accountability.

The Board of Statutory Auditors supervised the adequacy of the administrative and accounting system of the Company and its reliability to fairly represent operations, also by collecting information from Company management, examining company documents and analysing the results of the activities undertaken by the External Auditor.

The Board of Statutory Auditors also monitored the financial reporting process.

The Board of Statutory Auditors acknowledged the statements issued by the Chief Executive Officer and the Executive responsible for preparing the corporate accounting documents of TIM S.p.A. concerning the adequacy in relation to the characteristics of the company and the actual application during 2020 of the administrative and accounting procedures for the preparation of the financial statements and the consolidated financial statements.

At TIM the goodwill impairment test was applied in a consolidated and structured way, coordinated by the Chief Financial Officer, with the intervention of independent external experts of acknowledged professional expertise. The impairment procedure is revised once a year and the process for impairment testing is analysed and discussed in special meetings involving the Control and Risk Committee and Board of Statutory Auditors, that precede the Board of Directors meetings to approve the financial reports to which the impairment test must be applied.

The Board of Statutory Auditors has checked that the impairment test procedure applied to the 2020 financial statements was conducted in terms coherent with the procedure approved by the Board of Directors on 16 December 2020 and with the applicable IFRS standards.

Reference is made to the explanations given in the "Goodwill" Note to the consolidated financial statements as of 31 December 2020 of the TIM Group.

Regarding the provisions of article 15, subsection 1, letter c, ii) of the Market Regulations (Conditions for the listing of shares of controlling companies and of companies registered in and regulated by the laws of States that are not members of the European Union), the Board of Statutory Auditors has not ascertained facts and circumstances that would indicate that the administrative-accounting system of the controlled companies is not adequate to ensure that the data on the revenues, finances and assets of the companies needed for the preparation of the consolidated financial statements regularly reaches the management and auditor of the controlling company.

15. REMARKS ON THE ADEQUACY OF THE INSTRUCTIONS IMPARTED BY THE COMPANY TO ITS SUBSIDIARIES PURSUANT TO ARTICLE 114, SUBSECTION 2 OF LEGISLATIVE DECREE NO. 58/1998

The Board of Statutory Auditors believes that the instructions imparted by TIM to its subsidiaries, pursuant to art. 114, subsection 2 of the CLF, are adequate to comply with the disclosure obligations established by the law. In this respect it should be noted that the Company regulates the flow of information it receives from its subsidiary companies on transactions of particular impact, with specific procedures.

16. REMARKS ABOUT ANY RELEVANT ASPECTS THAT EMERGED DURING THE MEETINGS HELD WITH THE AUDITORS PURSUANT TO ARTICLE 150, SUBSECTION 2 OF LEGISLATIVE DECREE NO. 58/1998

In 2020, the Board of Statutory Auditors held regular meetings with the external auditor (EY) during which data and significant information was exchanged for the performance of their respective duties.

The Board of Statutory Auditors has analysed the work carried out by the independent auditor, with specific reference to the approach and auditing strategy for FY 2020 and the definition of the audit plan. The key audit matters were shared and the related corporate risks, thereby allowing for the appreciation of the adequacy of the response planned by the independent auditor.

The Board of Statutory Auditors has ascertained, from information obtained from Independent Auditor EY and from the management of the Company, that the IAS/IFRS principles, and the other legal and regulatory provisions that apply to the preparation and presentation of the separate financial statements, the consolidated financial statements and the accompanying report on operations, are complied with.

In particular, the Board of Statutory Auditors has verified that the Company has taken the necessary steps to prepare the consolidated financial statements in electronic format (using XHTML and iXBRL technologies), as prescribed by the ESEF Regulation.

No significant shortcomings were seen in 2020.

In compliance with that prescribed by Art. 19 of Italian Legislative Decree no. 39/2010, the Board of Statutory Auditors has verified and monitored the independence of the external auditor, particularly as regards the provision of services supplied to the Company, other than auditing.

Taking into account the EY declaration of independence (contained in the Additional Report for the Committee for Internal Control and Audit) and the additional appointments conferred by TIM and the Group companies on EY and the companies belonging to its network, the Board of Statutory Auditors believes that conditions are met for attesting to the independence of the independent audit firm EY.

17. INDICATION OF THE ADHERENCE OR OTHERWISE OF THE COMPANY TO THE CORPORATE GOVERNANCE CODE OF THE COMMITTEE FOR THE CORPORATE GOVERNANCE OF LISTED COMPANIES

The Company complies with the Corporate Governance Code and adhered to the previous Corporate Governance Code.

The Board of Statutory Auditors has supervised the arrangements for the concrete implementation of the rules of corporate governance it contains.

In particular, TIM has adopted the criteria of the Corporate Governance Code for the classification of Directors as independent. Based on the elements provided by the concerned parties pursuant to Borsa Italiana Code and as per the Consob Issuers' Regulations, or in any case in the Company's availability, the requirements

were assessed at the first Board meeting following the appointment, thereafter renewed on 20 February 2019, 29 January 2020 and 3 February 2021. Out of the current 13 Directors in office (following the February 2021 resignation of Directors Ferrari and Morselli), 10 meet the independence requirements: the Directors Altavilla, Bonomo, Capaldo, Cappello, Giannotti de Ponti, Moretti, Roscini, Sabelli and Valensise and the Chairman of the Board of Directors, Rossi. With respect to the latter, the Board of Directors has expressly ruled out that the role of “*prominent representative*” of the Issuer, given the governance structure adopted, affected his independence of judgement, thereby undermining his independence as director.

On 17 February 2021, the Board of Statutory Auditors checked that the criteria and ascertainment procedures adopted by the Board of Directors to assess the independence of its members were correctly applied, ruling that this was indeed the case.

The point of reference and coordination for the issues and contributions of the independent Directors and the non-executive Directors in general is the Lead Independent Director, a role held by Dante Roscini.

The Lead Independent Director is granted the right to use corporate structures to perform the tasks entrusted to him and to convene special meetings of the Independent Directors to discuss issues regarding the functioning of the Board of Directors or the management of the business.

On 17 February 2021, the Board of Statutory Auditors also checked that the requirements of integrity, professionalism and independence were met by each Auditor, in accordance with art. 148, subsection 3 of the CLF and the Corporate Governance Code.

See TIM’s 2020 Report on the corporate governance and share ownership for further information on the corporate governance of the Company, which the Board of Statutory Auditors evaluates positively.

18. CONCLUSIVE ASSESSMENTS OF THE SUPERVISORY ACTIVITY CARRIED OUT AND OF ANY OMISSIONS, MISCONDUCT OR IRREGULARITIES NOTED DURING THE COURSE OF THIS ACTIVITY

No significant facts that should be mentioned in its Report to the Shareholders' Meeting have emerged from the supervision and control activities carried out by the Board of Statutory Auditors, as described above.

19. REPORT OF ANY PROPOSALS TO BE BROUGHT TO THE ATTENTION OF THE SHAREHOLDERS' MEETING PURSUANT TO ARTICLE 153, SUBSECTION 2 OF LEGISLATIVE DECREE NO. 58/98

Having acknowledged the 2020 financial statements of TIM, the Board of Statutory Auditors had no objections to formulate on the proposed resolution presented by the Board of Directors, as reported in the Report on Operations and available at <https://www.gruppotim.it/content/dam/gt/investitori/doc---avvisi/anno-2121/inglese/Shareholders-Meeting-31-03-2021-Fascicolo-Relazioni-e-proposte-CdA-ENG.pdf>.

The Board of Statutory Auditors has acknowledged that the Shareholders' Meeting has been convened, in connection with the COVID-19 epidemiological emergency, with procedures consistent with the exceptional rules contained in Decree Law no. 18 of 17 March 2020.

The mandates conferred on the Board of Statutory Auditors and the Board of Directors end with the Shareholders' Meeting called to approve the financial statements as at 31 December 2020.

At the end of its mandate, the Board of Statutory Auditors thanked the Shareholders for the trust placed in them and asked that they pass all related and consequent resolutions.

Milan, 10 March 2021

For the Board of Statutory Auditors
The Chairman
Roberto Capone