

Press Release

TIM - Board of Directors by a majority vote considers unlawful the decision to supplement the agenda of the shareholders' meeting of 24 April taken by the Board of Statutory Auditors.

The Company acts to protect shareholders.

Call notice for the Shareholders' meeting on 4 May remains valid and effective.

Milan, 9 April 2018

The Board of Directors of TIM met today to assess the Board of Statutory Auditors' decision to supplement the agenda of the Shareholders' Meeting due to be held on 24 April, thereby granting the request made by the shareholders Elliott International LP, Elliott Associates LP and The Liverpool Limited Partnership on 23 March 2018 (that issued a previous request, albeit with a different tone, on 14 March 2018).

The Board, also supported by its legal advisors and having received three *pro veritate* opinions provided by some of the most authoritative legal experts (Piergaetano Marchetti, Giuseppe Portale, Roberto Sacchi), concluded that:

- the Board of Statutory Auditors' decision was not compliant with the correct application of the rules governing the powers of the control body. The Board of Statutory Auditors, in fact, can only intervene in a situation of "inertia" (inactivity) of the administrative body in granting the supplementation request made by the shareholders and not in a situation where there is a justified decision which the Board of Statutory Auditors does not agree with, as was the case in this situation;
- the Board of Statutory Auditors made its decision on the basis of a note it received in an unorthodox manner from the legal consultants of the Elliott funds on 24 March 2018, which was after the time period prescribed by law. Moreover, the note was not even shared with the Board of Directors until after the decision had already been made. The Board of Directors was not asked to make any comment, which might have prevented a decision being made (that of supplementing the Agenda of the Shareholders' Meeting) that is contradictory, unlawful and detrimental to the interests of TIM's shareholders.
- the supplement to the Agenda, to which the Board of Statutory Auditors has given its resolution, goes against article 9.10 of TIM's Bylaws, which provides that "if a majority of the seats on the Board of Directors should become vacant for any cause or reason, the remaining Directors shall be deemed to have resigned and they shall cease to hold office from the time the Board of Directors has been reconstituted by persons appointed by the Shareholders' Meeting". It also goes against article 2386, subsection four, of the Italian Civil Code, which states that "if specific provisions of the Bylaws require that after some directors cease to hold office the entire Board should be divested of office, the Shareholders' meeting to appoint the new Board shall be called as a matter of urgency by the directors who have remained in office";
- the Board of Directors confirms that the call for the TIM shareholders' meeting on 4 May 2018 is legitimate, in order to proceed with the entire renewal of the Board, in compliance with the binding market rules regulating the vote of the slates, on which the Board of Statutory Auditors did not express an opinion.

TIM S.p.A.

A company directed and coordinated by Vivendi SA

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The Board of Directors, after much discussion, has therefore decided by majority vote and with the contrary vote from Directors Borsani, Calvosa, Cornelli, Frigerio and Vivarelli:

1. to formally dissociate from the Board of Statutory Auditors' decision, which it considers erroneous and particularly serious;
2. to confirm that the request to supplement the Agenda of the Shareholders' Meeting of 24 April 2018 submitted by the Elliott funds has been superseded, in view of the resignations of eight Directors (all of which shall come into effect before the start of the Shareholders' meeting); and to confirm the validity of the call notice for the TIM Shareholders' meeting on 4 May 2018 in order to proceed with the full renewal of the Board of Directors;
3. to take every legal action to protect the rights and interests of all shareholders and of the Company;
4. to set out in full the reasons for its decisions by publishing the relevant documents (opinions and accompanying preparatory note on the discussion, along with the documentation that will be made available by the Board of Statutory Auditors) on its website, to allow all TIM shareholders to have full knowledge of the Board of Directors' positions so that they can make informed decisions;
5. to send all the documents mentioned to Consob for consideration of those matters which are within its remit.

This press release has not been approved by Directors Borsani, Calvosa, Cornelli, Frigerio and Vivarelli.

In rejecting the arguments brought by the Board of Directors to support its deliberation today, the Board of Statutory Auditors has confirmed the full legitimacy of its own determinations and has announced it will issue a separate press release.

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