

2018

Report
on
Remuneration



Telecom Italia S.p.A.
Registered Office in Milan at Via Gaetano Negri 1
General Administration and Secondary Office in Rome at Corso d'Italia 41
PEC (Certified electronic mail) box: telecomitalia@pec.telecomitalia.it
Share capital 11,677,002,855.10 euros fully paid up
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2018 Report on Remuneration

Pursuant to art. 123-ter CLF
Report approved by the Board of Directors at its meeting of 21 February 2019
Available on the website www.telecomitalia.com)

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Letter from the Chair of the Nomination and Remuneration Committee



Alfredo Altavilla
Chair of the Nomination and Remuneration Committee

TIM's remuneration policy reflects its growth over the medium-long-term, contributing to aligning the actions of its management with the interests of its shareholders.

Dear Shareholders,

As Chair of the Nomination and Remuneration Committee of Telecom Italia, I am pleased to present to you the Remuneration Report for the year 2018.

In compliance with current legislation, the first section of the document contains a description of the remuneration policy for 2019 for Directors and Key Managers with Strategic Responsibilities, while the second provides the final remuneration figures for the financial year 2018, including the shares in the Company and its Subsidiaries owned by Directors, Statutory Auditors and Key Managers with Strategic Responsibilities.

2018 was characterized by renewal of both the Board of Directors and the arrangements of the Company's Executive Directors.

The Committee set itself the primary objective of working on the remuneration systems so that they support and are consistent with the business strategy and help create value for shareholders, while remaining in alignment with international best practice.

The Committee has considered many topics: the main ones include the launch of the new performance share 2018-2020 Plan, the remuneration subjects connected to the Top Management renewal, the CEO position succession; and examination of the remuneration packages of the Chief Executive Officer and the Chairman, with subsequent transfer to the Board of Directors of its recommendations on the subject.

In the last part of the year, the Committee redesigned the short-term bonus system architecture (MBO) with special attention for both fixing the gate target and identifying economic-financial and functional targets related to the company's new structural and strategic guidelines.

I am confident that this Report testifies to the Committee's commitment to continuing the transparent approach required by legislation and endorsed by the Company, and thank you for your acceptance of and support for the policies adopted for 2019.

Alfredo Altavilla
Chair of the Nomination and Remuneration Committee

INTRODUCTION

This Report, approved by the Board of Directors at the proposal of the Remuneration Committee (henceforth "the Committee"), sets out:

- In the first section, the 2019 Policy adopted by Telecom Italia S.p.A. to remunerate its Directors and Key Managers with Strategic Responsibilities, specifying the bodies involved, the general guidelines, and the tools used.
- In the second section, the implementation of the remuneration policy and the remuneration paid to TIM's Directors, Auditors and Managers with Strategic Responsibilities in 2018.

The Policy described in the first section of the Report has been drawn up in accordance with the recommendations on remuneration contained in the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana (hereinafter, the "Corporate Governance Code"), to which TIM adheres.

Executive summary

TIM's remuneration policy is intended to guarantee necessary competitiveness on the job market, and to help fulfill the Company's strategic objectives. The primary aim of the resulting pay structure is to balance the fixed and variable pay components, and to utilize the benefits and welfare system with a view to pursuing sustainable results over the long-term, in accordance with the risk management policy of TIM's business.

TIM's remuneration policy for the executive directors and Managers with Strategic Responsibilities is essentially made up of the following components:

- Fixed remuneration
- Short-term variable remuneration
- Long-term variable remuneration
- Benefits and welfare

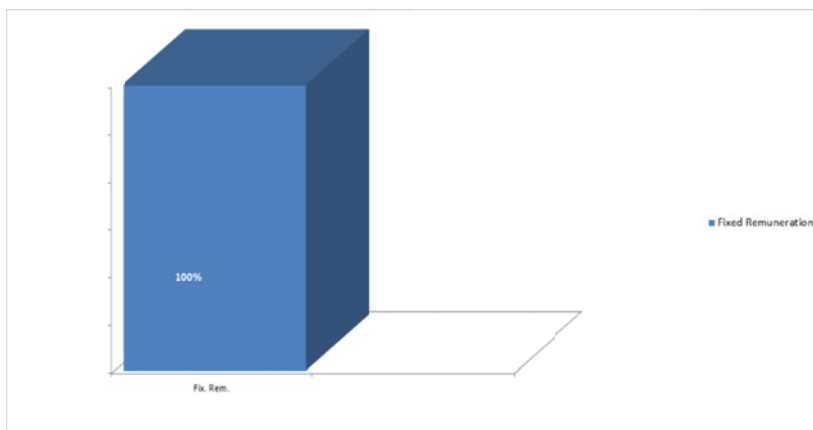
The key elements of these are summarized below.

Remuneration Element	Aims and features	Description	Economic Value
<p>Fixed remuneration</p> <p>(see p. 7)</p>	<p>The fixed remuneration component is aimed at rewarding the breadth and strategic nature of the role held and is anchored to the reference market.</p>	<p>For 2019 the Committee confirms the policy of gradually aligning individual positioning (commensurate with the assigned responsibilities and role held) with the market references, determined on the basis of periodic market benchmarking.</p>	<p>Chairman: 600,000 euros, gross</p> <p>Chief Executive Officer: 1,400,000 euros, gross, of which:</p> <ul style="list-style-type: none"> • 400,000 euros gross as fee for the office • 1,000,000 euros gross as employment salary <p>Key Managers with Strategic Responsibilities (KMSRs): commensurate with the role held.</p>
<p>Short-term variable remuneration (MBO)</p> <p>(see p. 8)</p>	<p>The short-term variable component aims to support achievement of the company's results, ensuring that the objectives are articulated coherently through the assignment of challenging targets across the entire organization.</p> <p>The target value of the bonuses is commensurate with the fixed component, according to proportions</p>	<p>Bonuses are paid on the basis of the results achieved during the reference year according to a payout scale of 50%-100%-150%, with a linear interpolation between the minimum and target, and between the target and the maximum. The targets are set according to generally quantitative indicators that represent and are consistent with the strategic and business priorities, measured according to pre-established and objective criteria. The targets are: Group/Company-based, and strategic/role-specific. A gate target</p>	<p>Chairman: not applicable</p> <p>Chief Executive Officer: gross value of 1,400,000 euros at target (100% of Fixed Remuneration)</p> <p>KMSRs: gross value at target up to 50% of the Fixed Remuneration and commensurate with the role covered.</p> <p>Head of Control Departments: gross value at target equal to 35% of Fixed Remuneration</p>

Remuneration Element	Aims and features	Description	Economic Value
	that vary according to the role covered.	made up of TIM Group EBITDA is set for all the beneficiaries. Any variable remuneration paid is subject to a clawback clause.	
Long-term variable Remuneration (see p. 9)	The long-term variable component of the remuneration is aimed at promoting alignment between the interests of the management and those of shareholders, through participation in the business risk. The target value of the bonuses is commensurate with the fixed component, according to proportions that vary according to the role covered.	<p>The Chair is paid an end-of-mandate bonus at the end of 2020, based on Board management efficiency.</p> <p>The 2018-2020 Performance Share Plan, which has a three-year vesting period and a two-year lock up, is a one-shot plan for the CEO and managerial roles, who have a strong impact on the business results. The Plan is subject to the achievement of performance conditions related to both the increase in the share price (Stock Performance) and the economic-financial indicators (Equity Free Cash Flow). The Plan is subject to a claw-back clause.</p>	<p>Chairman: this equates to a 400,000 euros, which is subject to assessment by the Board.</p> <p>Chief Executive Officer: the annual target for 2019-2020 is twice the Fixed Remuneration.</p> <p>DRS and Other Managers (including Heads of Control Functions): annual target from 25% to 75% of Fixed Remuneration.</p>
Severance (see p. 10)	Regulates indemnity to be paid if the director or employee relationship should be terminated early, with true and just cause.	The severance clause could be combined with a non-competition clause, based on the importance and strategic aspects of the role held.	<p>Executive directors: not exceeding 24 months of remuneration.</p> <p>KMSRs: treatments foreseen by law, the National Labor Contract and individual agreements for a maximum of 36 months (including notice period).</p>
Benefits and welfare (see p. 11)	Services offered to all (welfare) or in relation to the role covered (benefits) that increase the well-being of the individual and his or her family in economic and social terms.	Defined along the lines of last year's policy: coverage of health expenses, supplementary pension, insurance policies, personal services, checkups, loans, car for all uses, mobile phone.	

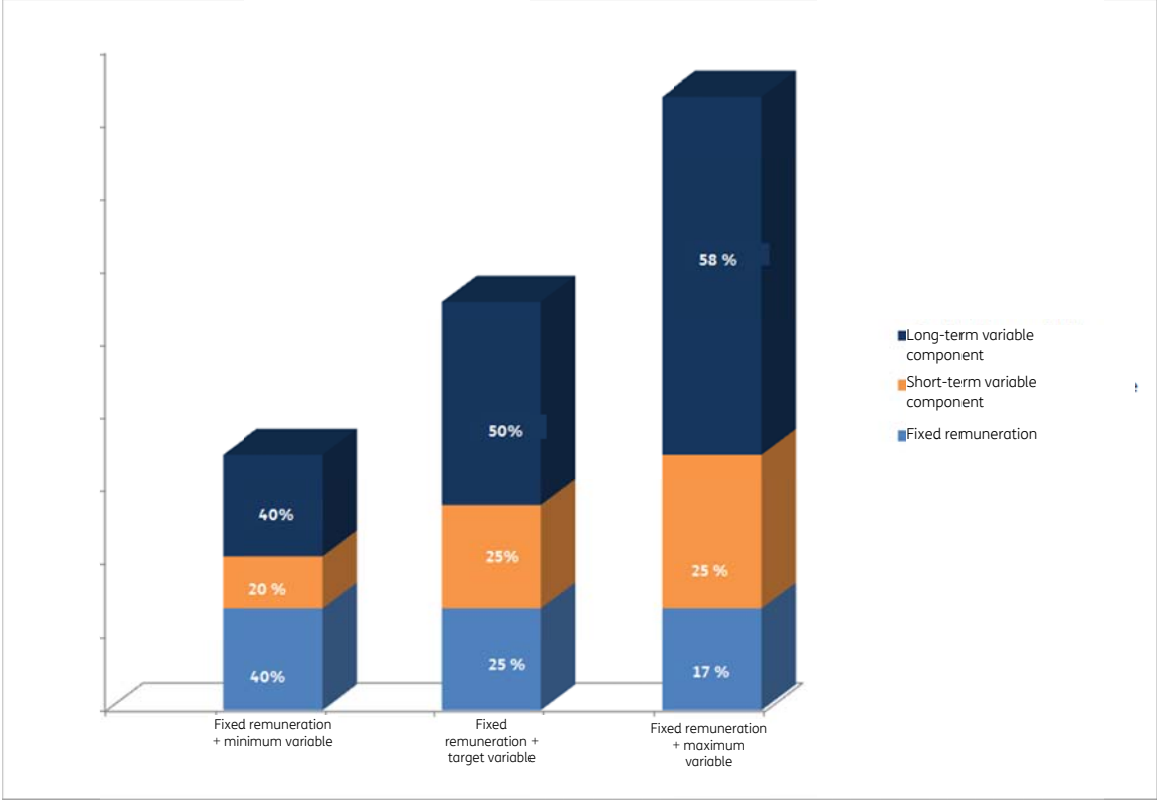
For the most senior roles in Telecom Italia (Chairman, Chief Executive Officer and Managers with Strategic Responsibilities), the pay-mixes hypothesized for 2019 are as follows (the percentages assume the allocation of the annual target value both for the short-term incentive scheme – MBO - and the 2018-2020 Performance Share Plan):

CHAIRMAN

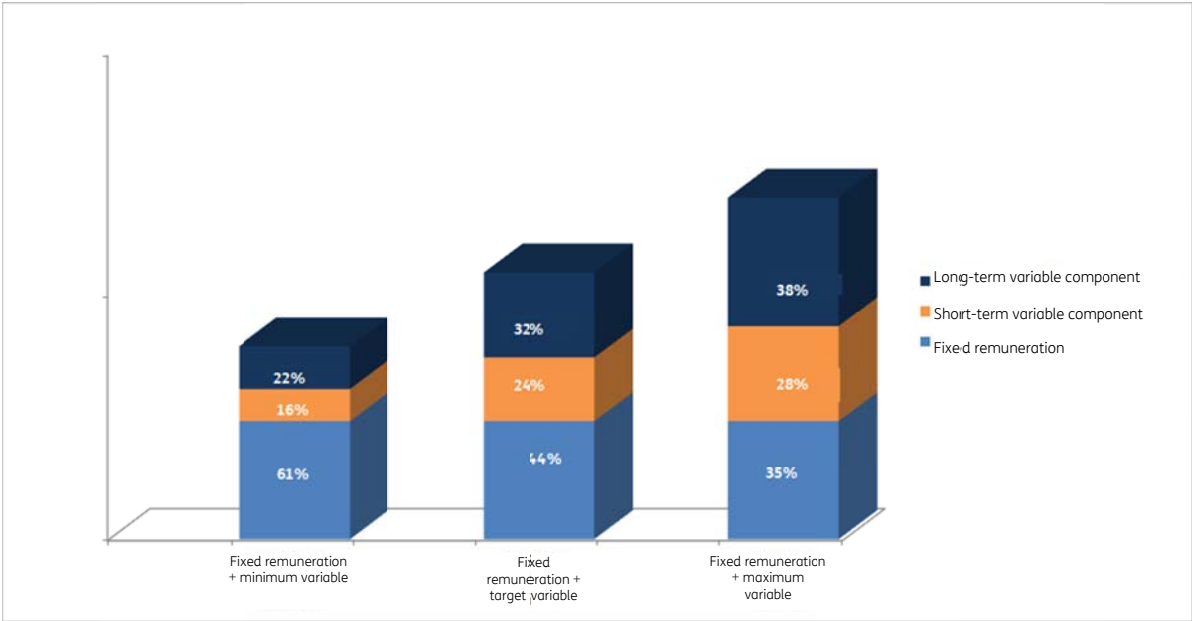


The Chairman's pay mix is represented net of the long-term bonus - which is only paid at the end of 2020 - and is linked to a positive Board management evaluation.

CHIEF EXECUTIVE OFFICER



KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES



The correct balancing of the fixed and variable components, compared to the Company’s strategic objectives, allows performance to be maintained and rewarded through participation in business risk, while pursuing the Company’s fundamental aims at the same time.

SECTION I 2019 REMUNERATION POLICY

PARTIES INVOLVED IN THE REMUNERATION PROCESS

The remuneration policy, meaning the set of principles and tools adopted to define the compensation packages of Directors and Managers with Strategic Responsibilities, involves the bodies listed below.

Shareholders' Meeting

- Determines the compensation of the Board of Directors as a whole, with the exception of the Directors holding specific offices
- Expresses a non-binding vote on the first section of the Report on Remuneration
- Makes a resolution on the remuneration plans based on the allocation of financial instruments

Board of Directors

- Resolves how the compensation determined by the Shareholders' Meeting for the Board of Directors is to be divided (when a total amount is established for the board as a whole)
- Defines the policy for remunerating the Executive Directors and Key Managers with Strategic Responsibilities
- Determines the remuneration of Directors holding specific offices
- Defines the performance targets and objectives of the Executive Directors and assesses whether or not they have been achieved, for the purposes of the short- and long-term incentive systems
- Defines the remuneration of those in charge of the control departments (Audit, Compliance and IT & Security Compliance)
- Makes proposals to the Shareholders' Meeting on the remuneration plans based on the allocation of financial instruments
- Prepares the Report on Remuneration

In order to ensure that the decisions taken regarding remuneration are appropriately investigated, the Board of Directors avails itself of the support of the Nomination and Remuneration Committee.

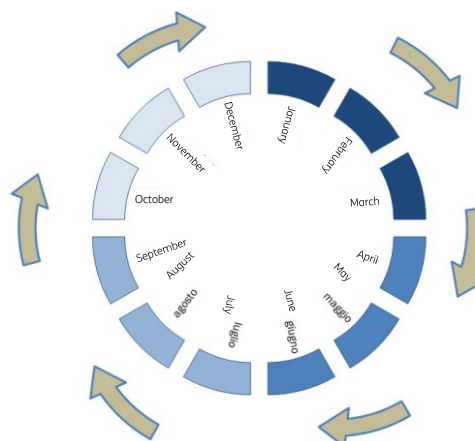
Nomination and Remuneration Committee

- Proposes to the Board of Directors the criteria for allocating the total compensation established by the Shareholders' Meeting for the Board of Directors as a whole and the remuneration of Directors holding specific offices
- With the support of the Human Resources and Organizational Development Department, reviews the remuneration policy for managers, particularly regarding the policy for Key Managers with Strategic Responsibilities
- Examines proposals made to the Board of Directors for compensation plans based on financial instruments
- Assesses the appropriateness, practical application and consistency of the remuneration policy, also with reference to actual corporate performance, making suggestions and proposals for any corrective measures
- Ascertains the level of achievement of the targets set in variable short- and long-term incentive plans by the Executive Directors, applying the measurement criteria determined when these targets were assigned, and establishes the structure of the objectives and of the performance targets linked to the variable incentive system for the following year
- Monitors the development of the relevant regulatory framework and of market best practices in remuneration, seeking inspiration for the development and improvement of the Company's remuneration policy
- Reports on its own activities to the Board of Directors, as a rule, at the first available meeting

For specific information on how the Committee operates, please refer to the provisions in its Regulations, available on the website www.telecomitalia.com, Group section, channel *Governance System*.

For 2019, the Committee has planned its activities as follows:

- Finalizing the results of the performance objectives for the previous year and determining the short-term variable incentive policies for the current year
- Monitoring and operational implementation of the MBO for the current year
- Monitoring the long-term incentive plan for 2018-2020
- Preparing the Report on Remuneration and starting the process of preparing next year's remuneration policy
- Succession plan: updating and monitoring the process
- Board Evaluation: selecting the advisor



The Committee met 12 times between the time of its formation in May 2018 and the Report on Remuneration approval date. The meetings were attended by the Head of the Human Resources and Organizational Development Department and the managers responsible for the areas being discussed were invited to provide support, from time to time. To calculate the Compensation package of the Chairman of the Board of Directors, the Committee was assisted by the consultancy Firm Russell Reynolds, which also supported it during the Chief Executive Office succession process, following revocation of attributions granted to Director Amos Genish. To perform its functions, the Committee relies on the relevant Departments within the Company, and also on the support of external consultants. Since October 2018, the Company has started using the services of Mercer Italia, which does not provide other services for Group companies.

The Remuneration Committee has since June 2018 been composed of the following Directors:

<i>First</i>	<i>Title</i>
Alfredo Altavilla	Chairman, independent non-executive director
Paola Bonomo	Independent non-executive member
Giuseppina Capaldo	Independent non-executive member
Rocco Sabelli	Independent non-executive member
Michele Valensise	Independent non-executive member

For further information on the Committee, please refer to the Report on corporate governance and the proprietary structures of TIM for the year 2018.

Board of Statutory Auditors

The Board of Statutory Auditors expresses the opinions required by current legislation on the proposed remuneration of Executive Directors holding specific offices. As required by the Company's Code of Corporate Governance, it also expresses an opinion on the remuneration paid to the heads of control functions.

Committee meetings are attended by the Chairman of the Board of Statutory Auditors or, if he is unavailable, by another Statutory Auditor designated by him.

2019 REMUNERATION POLICY TOOLS AND GUIDELINES

The remuneration policy of the Telecom Italia Group is aimed at ensuring the company’s competitiveness in the labor market, as well as its capacity to attract, retain and motivate people.

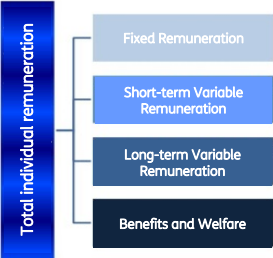
The guidelines and related remuneration tools are aimed at ensuring that:

- The Company's strategic targets are achieved
- It is competitive in the labor market
- Its people are engaged
- Principles of equality are protected within the Company, including gender equality
- The interests of the management are aligned with creating value for shareholders and also with sustainability of the results in the long-term
- Consistency is maintained at Group level, while taking account of the diversity of the reference markets

Definition of policies is supported by analysis of market practices in terms of both compensation levels and the composition of compensation packages, benchmarked to a panel of companies of the Telco and Media segment at the international level and Italian companies comparable in size and/or market capitalisation.

The components of individual remuneration are:

- Fixed remuneration
- Short-term variable remuneration
- Long-term variable remuneration
- Benefits and welfare



The integration of the various components will allow the company to appropriately balance the monetary and non-monetary tools, with the aim of increasing the satisfaction of recipients at a sustainable cost.

For 2019, the trend towards gradual alignment with market practices continues. The need for economically-viable business growth means that pay adjustments are selective, especially in terms of the fixed component, and relate to high-quality individuals and cases that do not align with the reference market.

*

The individual remuneration components are analyzed below:

FIXED REMUNERATION

The breadth and strategic importance of a position are measured through a role evaluation system based on internationally recognized, certified methods. Every year TIM checks its remuneration positioning through market benchmarks which analyze both the national and international context.

Fixed remuneration is gradually aligned to the market benchmark in different ways:

- For high-seniority, high-profile roles with strong exposure to the market - which include Key Managers with Strategic Responsibilities - the market median will be used as a benchmark, and higher values may also be considered.
- Values below the market median are used as a benchmark for other roles.

SHORT-TERM VARIABLE REMUNERATION

The short-term incentive system

For 2019 the MBO plan will again include a gate objective. This consists of the Group’s EBITDA indicator, which is still a condition for obtaining the bonus, itself linked to all the targets assigned to the beneficiaries of the incentive plan. In order to differentiate the level of challenge required of Management, in reaching the gate objective, a diversified minimum has been introduced:

- 95% of the target value, equal to the budget, set for the CEO, those reporting directly to him and Heads of Control Departments reporting directly to the Board of Directors
- 90% of the set target value for the remaining managerial staff

Regarding the type of targets that are set, for those reporting directly to the CEO, there is still a focus on the financial targets set for the CEO, and there is also a strategic objective linked to the Industrial Plan. For the other managers, the most important financial targets are considered, while adequate space is given to role-specific objectives which are always objectively measurable.

Targets will therefore be Group/Strategic or Group/role specific, with weights indicated in the tables below. Performance Management has also been definitively superseded as an MBO objective. Assessment of managerial conduct will also be assured in the corresponding monitoring process, parallel to and independent of the MBO system.

TARGETS	2019	WEIGHT
TIM GROUP EBITDA (GATE)		30%
TIM GROUP SERVICES REVENUES		20%
TIM GROUP OPERATING FREE CASH FLOW		20%
TIM GROUP NET FINANCIAL POSITION		10%
1 STRATEGIC OBJECTIVE		20%

Executive Committee (vertical label on the left) and **80%** (bracketed on the right) indicate that the first four targets (EBITDA, Revenues, Cash Flow, Net Financial Position) collectively represent 80% of the total weight.

TARGETS	2019	WEIGHT
TIM GROUP EBITDA (GATE)		30%
TIM GROUP SERVICES REVENUES		10%
TIM GROUP OPERATING FREE CASH FLOW		10%
3 ROLE SPECIFIC OBJECTIVES		50%

Other Managers (vertical label on the left) and **50%** (bracketed on the right) indicate that the three role-specific objectives represent 50% of the total weight.

For 2019, the differentiation of the payout curves between Top Management and other managers has been superseded. Award of the bonus is based on the 50%-100%-150% scale that was previously only applied to the Executive Directors.

Linear interpolation applies to the intermediate levels, if reached, and, compared to the past two years, this has been reintroduced for the remaining managerial population beneficiary of the Plan also for the levels between minimum and target.

For those reporting directly to the Executive Directors, the target values for the bonus will be set at up to 50% of the fixed component. For the remaining personnel on incentive schemes, the target values will be set at up to 30% of the fixed component, according to the complexity of the role covered.

The bonus, if awarded, is paid entirely in cash, when the results achieved have been ascertained.

Finally, during salary reviews, other variable remuneration tools (One-off Bonuses) may be adopted - potentially excluding the Managers with Strategic Responsibilities - to reward significant performance or particularly outstanding results relating to extraordinary initiatives that cannot be classified as ordinary activities.

LONG-TERM VARIABLE REMUNERATION

2018-2020 Share Performance Plan

The Long-Term Plan for 2018-2020 was launched in 2018, by assigning Performance Shares.

The Plan is intended to reward Beneficiaries for reaching the Group's strategic objectives, as stated in the industrial plan announced to the market, by aligning the interests of business management roles considered to be decisive with the interests of TIM shareholders, in terms of increasing share value over the medium to long-term.

The Share Performance Plan includes assigning Company shares free of charge, where accrual is conditional on achieving the Performance Conditions stated below, defined in line with the main 2018-2020 Strategic Plan objectives:

- **Share performance (weight 70%)**

Relative performance of Telecom Italia ordinary share against the average performance of a group of competitors composed of:

<i>BT Group PLC</i>
<i>Deutsche Telekom AG</i>
<i>Elisa OYJ.</i>
<i>Koninklijke KPN NV</i>
<i>Orange SA</i>
<i>Proximus SADP</i>
<i>Swisscom AG</i>
<i>Telefonica SA</i>
<i>Telenor ASA</i>
<i>Telia Co AB</i>
<i>Vodafone Group PLC</i>

The benchmark achievement values are set as follows:

- Max: if the performance of TIM ordinary shares equals the average performance of the group of competitors plus 20%, provided that the performance of the TIM ordinary shares has been positive in the period, in absolute terms.
- Target: if the performance of TIM ordinary shares equals the average performance of the group of competitors plus 10%.
- Min: if the performance of TIM ordinary shares equals the average performance of the group of competitors.

For intermediate performance levels we will proceed to linear interpolation:

- Between minimum and target
- Between target and maximum, provided that the performance of the TIM ordinary share in the period is positive

- **Free Cash Flow (weight 30%)**

The Performance Parameter linked to cash generation is represented by the cumulated equity free cash flow over the three-year period. This amount, defined as the net cash flow before dividend and investments in frequencies, as per the 2018-2020 business plan, is measured as follows:

- (+) adjusted EBITDA, or reported EBITDA adjusted of non-recurring items, if any
- (-) capital expenditures (capex, excluding investment in frequencies)
- (+/-) changes in the adjusted net working capital (reported amount adjusted of non-recurring items, if any), including changes in operating provisions
- (-) total finance expenses;
- (-) taxes

This amount represents the available free cash flow for the payment of dividends, the repayment of debt, the impact of IAS 17 (finance leases) and the investment in frequencies, and does not include the financial impact of acquisitions or disposals of investments (M&A), if any.

The target value will be recalculated excluding the impact of the changes, compared to the three-year plan, related to the scope of consolidation, the exchange rates and the accounting policies. The achievement values are set as follows:

- Min: if 90% of the target set is achieved
- Target: if 105% of the target set is achieved
- Max: if 115% of the target set is achieved

Where the Performance Parameter value of the cumulated Equity Free Cash Flow is found at intermediate levels with respect to those indicated above, the number of Performance Shares accrued will be calculated using a linear interpolation criterion.

The bonus is calculated for the full three years. Pro rata payments will be made in the case of premature death or termination of contract (i) with the Company, by the CEO or (ii) with the Company or a Subsidiary by the remaining beneficiaries, after January 1, 2020, provided that the outgoing person is a “good leaver” (this is always subject to the Beneficiary having accepted a non-competition obligation of at least 12 months).

There will be no entitlement to pro rata reportioning for termination for any reason between January 1, 2018 and December 31, 2019.

The vesting period will be three years, at the end of which a number of shares commensurate with the achievement of the performance conditions will be allocated (with clawback clause). After the award is made, all the shares will be subject to a two-year lock up, but this does not affect the beneficiaries’ right to sell, at the time of allocation, enough shares to cover all the costs of the operation including the taxes, commission and other charges payable by the beneficiary.

For more details, please see the information document, available at www.telecomitalia.com.

A review of the Equity Free Cash Flow parameter will be proposed at the Shareholders' Meeting of 29 March 2019, with alignment of the same parameter to the 2019 and 2020 targets, as per 2019-2021 Business Plan (please see the Report to the Shareholders' Meeting and the Supplement Information Document).

Special Award

The Special Award, introduced in 2016 with the appointment of Mr Cattaneo as CEO, was a four year plan (2016-2019), based on the allocation for each of the financial years included of a percentage share of the overperformance compared to the targets for the period, with a total gross maximum (for the whole four years, relating to 5.5% of overperformance) of 55,000,000 euros.

The indicators were EBITDA (weight 50%), Net Financial Position (weight 25%) and Opex Reduction (weight 25%). The bonus (subject to clawback) was paid at the end of the cycle, 80% in equity and the remainder in cash.

The 2016-2019 Special Award was exceeded following the departure of Flavio Cattaneo. Managers who were beneficiaries of the Special Award in 2017 will receive the bonus accrued for 2016, after the approval of the 2019 Financial Statements.

The information document on the Special Award is available on the website www.telecomitalia.com.

SEVERANCE PAY AND NON-COMPETITION

In light of the best practices on “Termination Provisions” for the Executive Directors, it is company policy that severance pay, in the event of the early termination of the office as Director without just cause, should not exceed 24 months of remuneration.

For the remaining Key Managers with Strategic Responsibilities, settlements applicable by virtue of legal provisions, national collective labor agreements and individual agreements will apply. Including any payment in lieu of notice, these payments may be equivalent to no more than 36 months of Total Remuneration (Gross Annual Remuneration + MBO).

The CEO is responsible for identifying individuals whose strategic importance and profile may qualify them for severance pay. This may be linked to a non-competition agreement.

CLAWBACK

A contractual clawback mechanism which enables the variable remuneration allocated to Executive Directors and Key Managers with Strategic Responsibilities to be recovered has been in existence since 2016. The clawback clause may be activated in the three years following the payments when said disbursement occurred following willful misconduct or gross negligence on the part of the executives concerned or in the case of an error in the formulation of data which resulted in a restatement correction to a Financial Statement.

BENEFITS AND WELFARE

Benefits and welfare constitute non-monetary elements of remuneration. In particular:

- The **benefits** are made available on the basis of the beneficiary's role, and are aimed at improving wellbeing.
- **Welfare** is the set of non-monetary services made available to the entire company population regardless of the role held, aimed at increasing the wellbeing of all employees and their families.

For 2019, the Company again confirms its significant investment in terms of the economic resources dedicated to this area.

REMUNERATION OF THE BOARD OF DIRECTORS AND KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

REMUNERATION OF THE BOARD OF DIRECTORS

The total gross annual remuneration of the Board of Directors (Art. 2389(1) of the Italian Civil Code) was set at 2,200,000 euros at the Meeting of Shareholders on May 4, 2018.

The Board of Directors' meeting of May 16, 2018 divided up that amount by allocating 100,000 euros gross per annum to each Director (excluding the Chairman and the Chief Executive Officer); this is fixed remuneration. The non-executive Directors are not entitled to any remuneration linked to company results, nor to any severance pay.

The following additional remuneration will be also paid to the Directors who are members of Committees:

Strategy Committee	Control and Risk Committee	Nomination and Remuneration Committee
Fulvio Conti (C)	Paola Giannotti De Ponti (C)	Alfredo Altavilla (C)
Luigi Gubitosi (CEO)	Massimo Ferrari	Paola Bonomo
Massimo Ferrari	Marella Moretti	Giuseppina Capaldo
Arnaud Roy de Puyfontaine	Lucia Morselli	Rocco Sabelli
Rocco Sabelli	Michele Valensise	Michele Valensise
Remuneration: 25,000 euros per director (the Chair of the Board of Directors and CEO do not receive this compensation)	Remuneration: Members: € 45,000 Chairman: € 65,000	Remuneration: Members: € 40,000 Chairman: € 60,000

Strategy Related parties
Lucia Morselli (C)
Giuseppina Capaldo
Maria Elena Cappello
Marella Moretti
Dante Roscini
Remuneration: Members: € 25,000 Chairman: € 40,000

CHAIRMAN'S REMUNERATION

Below please find the description of the Chairman's compensation package decided by the Board of Directors on July 24, 2018 and on February 20, 2019:

- **Fixed component**

The remuneration for acting as Chairman is set at the gross sum of 600,000 euros per annum. The Chairman does not receive any remuneration for the office of Director nor for his membership of the Strategy Committee (Art. 2389(1) of the Italian Civil Code).

- **Variable component**

The Chairman is awarded an end-of-mandate bonus, amounting to 400,000 euros gross. This is conditional by efficacy office evaluation and on the Board Review resulting in a positive score of at least 4 out of 5 for each of the years 2019 and 2020. This remuneration is not linked to the Company's financial results and is not subject to clawback. The Chairman is not included in the share bonus plans.

- **Severance**

No specific severance treatment has been agreed.

- **Benefits**

The Chairman does not access the benefits applicable to the rest of the Company's top management; he will only be reimbursed with the expenses incurred in performing his duties, in accordance with the Bylaws.

CHIEF EXECUTIVE OFFICER'S REMUNERATION

Here below is a description of the compensation package established by the Board of Directors (with a proposal and compliant opinion of the Remuneration Committee) on 18 November 2018, when hired as General Manager and the attribution of assignment as Chief Executive Officer to Mr Luigi Gubitosi:

- **Fixed component**

- **Gross annual fixed remuneration**

An annual gross sum of €1,000,000 euros has been set for the management employment, with the duties of General Manager

- **Fixed remuneration (pursuant to article 2389 subsection I of the Italian Civil Code)**

The remuneration for acting as Chief Executive Officer is set at the gross sum of 400,000 euros per annum. The Chief Executive Officer does not receive remuneration for the office of Director or for his membership of the Strategy Committee (pursuant to Art. 2389, subsection 1 of the Italian Civil Code).

The CEO's fixed component is considered adequate for the role, if the variable component described below is not paid due to failure to reach the performance targets set by the Board of Directors.

- **Short-term variable component**

For each year of service, the CEO is paid a short-term variable component, which correlates to fulfillment of the targets annually by the Board of Directors, at the target amount (100%) of 1,400,000 euros gross; a parameterized scale is applied, whereby a bonus of 50% of the target amount is paid if the minimum level is achieved, up to a bonus equal to 150% of the target amount if the maximum level is achieved.



Each target is measured individually, so different combinations of the levels of achievement of the targets are possible; the linear interpolation mechanism will be used to assess these levels.

On February 21, 2019 the Board of Directors decided on the following incentive targets for the 2019 MBO, as proposed by the Nomination and Remuneration Committee and in line with the overall architecture (of the plan):

	Objectives	Weight	Min (% of tgt)	Tgt	Max (% of tgt)
A	TIM Group Ebitda GATE	30%	95%	budget	105%
B	TIM Group Operating Free Cash Flow	30%	-12%	budget	+12%
C	TIM Group Services Revenues	15%	-2%	budaet	+2%
D	TIM Group Net Financial Position Adj	15%	+2,5%	budget	-2,5%
E	Project to maximize the value of the TIM's fixed network infrastructure	10%	Evaluation of the project's progress milestones by the Board of Directors		

For 2019, the TIM Group EBITDA gate objective is confirmed. Achievement of this objective at the minimum level constitutes the condition to access all the bonus objectives, with the consequence that non-achievement would mean that the bonus could not be paid. The minimum gate objective for the CEO is 95% of the target value.

The clause to clawback the sums paid out may be activated in the three years following payment of the bonus, as set out in the policy.

- **Long-term variable component**

The CEO was awarded the 2018-2020 Long-term Plan for the two-year period 2019-2020. The annual Plan participation target is 200% of the fixed component; depending on the degree to which the performance targets are met, the bonus may be as high as 350% of the fixed component for each year of participation in the Plan. Payment of this form of remuneration is subject to a deferral period of two-year (lock up) after the shares have been allocated. Share allocation is based on fulfillment of performance criteria.

The 2018-2020 Long-term Plan is subject to a clawback clause.

For more details on the LTI Plan 2018-2020, please refer to the information document at www.telecomitalia.com.

Please see page 10 for the review proposed to the Shareholders' Meeting of March 29, 2019.

- **Severance**

As per policy, in the event of termination of the office of Director without just cause, compensation is provided equal to the remuneration due up to the natural expiry of the mandate, with a maximum of 24 months. In addition to the prior notice, the same limit applies to the termination of the employment contract.

- **Benefits**

In relation to the managerial role, the Chief Executive Officer enjoys the benefits specified for the management of the Company (health insurance cover through the Telecom Italia Group Executive supplementary healthcare assistance; supplementary pension cover through membership of the Telecom Italia Group Executive complementary pension fund; work-related and non-work-related accident, life and invalidity due to illness insurance cover; company car for mixed use; checkups). The Company is also covered by a "professional risks policy" for all Directors & Officers.

REMUNERATION OF KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

Key Managers with Strategic Responsibilities, who have authority and responsibility for planning, directing and controlling the activities of the Telecom Italia Group, directly or indirectly, including directors, are at present identified as follows:

<i>Directors:</i>	
Luigi Gubitosi	Managing Director and Chief Executive Officer of Telecom Italia S.p.A. ¹ General Manager ¹
<i>Executives:</i>	
Sami Foguel	Chief Executive Officer TIM Brasil
Mario Di Mauro	Head of Innovation & Customer Experience ²
Lorenzo Forina	Chief Revenue Office ³
Carlo Nardello	Chief Strategic, Development & Transformation Office ⁴
Agostino Nuzzolo	Head of Legal and Tax ⁵
Piergiorgio Peluso	Head of Administration, Finance and Control
Elisabetta Romano	Chief Technology Office ⁶
Luciano Sale	Head of Human Resources & Organizational Development ⁷
Stefano Siragusa	Chief Wholesale Infrastructures Network & Systems Office ⁸
Anna Spinelli	Head of Procurement Unit & Real Estate ⁹

¹From November 18, 2018

²From January 7, 2019; Until January 6, Head of Strategy, Innovation & Quality

³From January 18 2019, date on which the pre-existing functions Chief Business & Top Clients Office – assigned to Lorenzo Forina - and Chief Consumer Office – assigned to Stefano Azzi – were superseded.

⁴From February 20, 2019

⁵From January 7, 2019; Until January 6 Head of Legal, Regulatory & Tax

⁶From July 1, 2018

⁷From February 5, 2019 previously function responsibility was attributed to Riccardo Meloni

⁸From April 12, 2018; Until April 11, Chief TIM Infrastructures Office

⁹From September 3, 2018

The compensation package structure for 2019 for Key Managers with Strategic Responsibilities, excluding the Chairman and the Chief Executive Officer, is described below:

- **Fixed component**

The strategy for 2019 is to maintain remuneration in line with market practice, while providing for selective criteria for adjustment of fixed remuneration.

- **Short-term variable component (MBO)**

The 2019 incentive plan is linked to the achievement of a combination of predefined targets:

- a) Company targets of an economic and financial nature
- b) Strategic objectives linked to the Industrial Plan.

The distribution of objectives is described in the following table:

TARGETS	WEIGHT
TIM GROUP EBITDA (GATE)	30%
TIM GROUP SERVICES REVENUES	20%
TIM GROUP OPERATING FREE CASH FLOW	20%
TIM GROUP NET FINANCIAL POSITION	10%
1 STRATEGIC OBJECTIVE	20%

For 2019 there will again be a gate objective that constitutes the minimum condition for accessing the entire bonus system. For Directors with Strategic Responsibilities, the minimum gate objective is 95% of the target value.

A parameterized scale is applied, whereby a bonus of 50% of the target amount is paid if the minimum level is achieved, up to a bonus equal to 150% of the target amount if the maximum level is achieved.

Each target is measured individually, so different combinations of the levels of achievement of the targets are possible; the linear interpolation mechanism will be used to assess these levels.



The MBO system for Key Managers with Strategic Responsibilities provides an annual target bonus of up to a maximum of 50% of the fixed remuneration.

The clause to clawback the sums paid out may be activated in the three years following payment, as set out in the specific company Regulations.

- **Long-term variable component**

The Directors with Strategic Responsibilities have been allocated the 2018-2020 Long-term Plan, described on page 9, with an annual participation target of 75% of the fixed component; depending on the degree to which the performance targets are met, the bonus may be as high as 112.5% of the fixed component for each year of participation in the Plan.

Payment of this form of remuneration is subject to a deferral period of two-year (lock up) after the shares have been allocated. Share allocation is based on fulfillment of performance criteria.

The 2018-2020 Long-term Plan is subject to a clawback clause.

Please see page 10 for the review proposed to the Shareholders' Meeting of March 29, 2019.

- **Special Award**
The 2016-2019 Special Award was exceeded in 2017.
Several Directors with Strategic Responsibilities have received the Special Award and will receive the bonus accruing in 2016 following approval of the 2019 financial statements.
The Special Award is subject to a clawback clause.
- **Severance**
Settlements applicable by virtue of legal provisions, national collective labor agreements and supplementary individual agreements, are specified (always excluding cases of dismissal with just cause). Including any payment in lieu of notice, these payments may be equivalent to no more than 36 months of Total Remuneration (Gross Annual Remuneration + MBO).
The CEO is responsible for identifying individuals whose strategic importance and profile may qualify them for severance pay. This may be linked to a non-competition agreement.
- **Benefits**
Benefits are granted similar to those provided for all other company managers: company car for mixed use, insurance policies (workplace accidents, life and infirmity caused by illness), complementary health insurance cover, complementary pension fund and checkups. The Company is also covered by a "professional risks policy" for all Directors & Officers.

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In accordance with the Italian Stock Exchange recommendations, below is a representation of the bonus schemes for the Head of Audit and the Director responsible for financial reporting.

- Head of Audit - Incentive schemes

The Head of Audit receives the short-term variable bonus scheme. The gate objective, parameterized scale and payout curve are the same as those given for the Directors with Strategic Responsibilities, in line with previous years.

Besides the gate target, the remaining objectives, with an overall weighting of 70%, are connected to the role and are proposed by the Risks and Control Committee, and approved by the Board of Directors.

The Head of Audit also receives the 2018-2020 LTI Plan, described above.

- Director responsible for financial reporting

For the Director appointed to prepare the corporate accounts, bonus mechanisms are the same as those adopted for all Directors with Strategic responsibilities, described above.

SECTION II – IMPLEMENTATION OF REMUNERATION POLICIES AND AMOUNTS PAID IN 2018

This section describes the remuneration measures for the members of the Board of Directors and the Key Managers with Strategic Responsibilities in 2018.

MEMBERS OF THE BOARD OF DIRECTORS

The Shareholders' Meeting held on May 4, 2018, appointed the new Board of Directors, determining the total annual remuneration of the body as 2,200,000 euros, to be divided between its members in accordance with the resolutions to be made by the Board itself.

On May 16, 2018, the Board of Directors divided the aforementioned total compensation within terms summed up in the specific chapter of the First Section of this Report

The following additional remuneration will also be paid to current Directors who are members of Committees:

Strategy Committee

Fulvio Conti (C)
Amos Genish (CEO pro tempore)*
Luigi Gubitosi (CEO pro tempore)**
Massimo Ferrari
Arnaud Roy de Puyfontaine
Rocco Sabelli

Remuneration: € 25,000 with the exception of the Chair and the CEO

(*) Position held until November 13, 2018;

(**) Position taken on November 18, 2018.

Control and Risk Committee

Paola Giannotti (C)
Luigi Gubitosi*
Massimo Ferrari
Marella Moretti
Lucia Morselli **
Michele Valensise ***

Remuneration:

Members: € 45,000

Chairman: € 65,000

(*) Following appointment as Chief Executive Officer and General Manager, the Director Luigi Gubitosi ceased to be a member of the Control and Risk Committee on November 17, 2018;

(**) Position taken on December 6, 2018.

(***) Position taken on June 25, 2018.

Nomination and Remuneration Committee

Alfredo Altavilla (C)
Paola Bonomo
Giuseppina Capaldo *
Rocco Sabelli
Michele Valensise

Remuneration:

Members: € 40,000

Chairman: € 60,000

(*) Position taken on June 25, 2018.

Committee for Relations with Related Parties

Lucia Morselli (C)
Giuseppina Capaldo
Maria Elena Cappello
Marella Moretti *
Dante Roscini

Remuneration:

Members: € 25,000

Chairman: € 40,000

(*) Position taken on June 25, 2018.

In accordance with the Company's Code of Corporate Governance, the Chairman of the Board of Directors (not executive or independent) was appointed to liaise between the Heads of the Control Departments and the Board of Directors, and to manage their working relations with the Company.

There is no additional form of remuneration for this role.

The detailed analysis of the remuneration received by the named Directors in office in the period is shown in Table 1 in the second part of this section.

EXECUTIVE CHAIRMAN (Arnaud de Puyfontaine)

January 1 – April 24, 2018

The position of Executive Chairman was held by Arnaud Roy de Puyfontaine from the beginning of the year to April 24, 2018. During the Board of Directors' meeting held on March 22, 2018, the Executive Chairman resigned from office. Said resignation came into effect as from April 24, 2018.

During the period, his remuneration was represented by the emolument provided for under Article 2389, paragraph 3, of the Italian Civil Code, consisting of a fixed component of 900,000 euro gross per annum, and a variable component in the form of an MBO totaling, at target, 900,000 euro gross per annum, not including remuneration as a member of the Board of Directors and of the Strategy Committee.

The Executive Chairman did not receive any variable short-term remuneration.

The detailed analysis of the remuneration received for the role is shown in Table 1 of the second part of this section.

CHAIRMAN (Fulvio Conti)

May 7 – December 31, 2018

TIM's Board of Directors' meeting, held on May 7, 2018 following the renewal decided by the Shareholders' Meeting of May 4, appointed Fulvio Conti as Chairman of the Company.

The Chairman was only granted the powers provided for by law, the Articles of Association and the Company's corporate governance documents.

Below please find the description of the Chairman's compensation package decided by the Board of Directors on July 24, 2018 and on February 20, 2019:

- A fixed emolument, established on an annual basis, of 600,000 euro gross per annum. The Chairman does not receive any remuneration as a Director, or as member of the Strategy Committee (pursuant to Article 2389, paragraph 1, of the Italian Civil Code).
- End-of-office payment with a maximum pay opportunity of a total of 400,000 euro gross, subject to (on/off) the Chairman's performance being assessed at no less than 4/5 for 2019 and 2020, as established by the annual Board review.
- No benefits (only reimbursement of expenses incurred for the purposes of office, as established by the Articles of Association), no clawback, and no severance pay.

The Board of Directors' meeting of November 13, 2018, following the Director Amos Genish ceasing the role of Chief Executive Officer, assigned all powers to the Chairman of the Board of Directors who exercised them until the next Board of Directors' meeting of 18 November (which appointed Director Luigi Gubitosi as Chief Executive Officer).

No additional remuneration was paid for the aforementioned temporarily held powers.

Detailed analysis of the remuneration received is shown in Table 1 of the second part of this section.

EXECUTIVE DEPUTY CHAIRMAN (Giuseppe Recchi)

January 1 - March 22, 2018

TIM's Board of Directors' meeting held on March 22, 2018, acknowledged the resignation of the Executive Deputy Chairman (and Chairman of the Strategy Committee), Giuseppe Recchi, with immediate effect.

During the period in question, his remuneration (in addition to that received for the office of Director and/or member of Committees) totaled 45,000 euro gross per annum.

The Vice Executive Chairman did not receive any variable short-term remuneration.

Bearing in mind that the Executive Deputy Chairman was temporarily assigned organizational responsibility for the Security Department and responsibility for the governance of the wholly owned subsidiary Telecom Italia Sparkle S.p.A., he was paid an additional fee of 2017 10,000 euro gross per month, until his remuneration could be completely reviewed, that is, upon implementation of the governance arrangements designed to meet the requirements of the Golden Power rules. This temporary period remained valid until the appointment was terminated.

The detailed analysis of the remuneration received for the role is shown in Table 1 of the second part of this section.

DEPUTY CHAIRMAN (Franco Bernabè)

March 22 - May 4, 2018

TIM's Board of Directors' meeting held on March 22, 2018, having acknowledged the resignation of the Executive Deputy Chairman Giuseppe Recchi, with regard to the powers over the Security Department and over the Companies operations and assets of importance for national security and defense, appointed Franco Bernabè (already a member of the Strategic Committee) as Managing Director with similar powers regarding company security. The role of Vice Chairman was conferred on him, with the responsibilities set out in law and Statute.

No additional fixed and variable remuneration was acknowledged for the post of Deputy Chairman.

In the period, his remuneration was that of Director and member of the Strategic committee.

The detailed analysis of the remuneration received is shown in Table 1 of the second part of this section.

CHIEF EXECUTIVE OFFICER (Amos Genish)

January 1 - November -13, 2018 (Management relationship)

January 1 - November 14, 2018 (Employee relationship)

During the period in question, his gross salary as the Company's General Manager, amounted to 1,000,000 euro gross per annum, while his remuneration as Chief Executive Officer, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, was fixed (confirmed downstream of renewal of the Board of Directors by the Shareholders' Meeting of May 4, 2018) at 400,000 euro gross per annum, exclusive of his remuneration for the position of Director and for his membership of the Strategy Committee. Furthermore, as remuneration pursuant to Article 2389, paragraph 3, of the Italian Civil Code, he was assigned an MBO totaling, at target, 1,400,000 euros per annum, gross.

Please note that considering that the TIM Group Ebitda at the minimum level (95% of budget target), valid as a condition for access to all other targets, was not reached, the entire MBO measure for 2018 was cancelled.

In implementing the present individual contract between Mr. Genish and the Company, and following the launch of the Long-term Incentive Plan 2018-2020, decided by the Board of Directors at its meeting held on July 24, 2018, Mr. Genish was assigned the right to receive 16,666,667 TIM S.p.A ordinary shares, at target, for the two years 2019-2020. Depending on the degree to which performance targets for the three-year period 2018-2020 are met, this number may be reduced or may be raised up to a maximum of 26,666,667 shares.

On November 13, 2018, the Board of Directors of TIM revoked all attributions granted to the director Amos Genish and appointed the Chairman Fulvio Conti to finalize further fulfilments related to the employee relationship, which was then terminated as of November 14, 2018.

For termination of his employment, Mr. Genish was paid the final additional amounts due and the severance pay due under law and national labor agreement (severance pay, holiday pay, thirteenth month payments) and, for the office held, a fixed sum to cover the costs of housing, schooling, transport and travel, as agreed in his individual contract with the Company, as reported in last year's Remuneration Report.

Mr Genish is not due anything as an MBO (as above), nor for the Long-term Incentive 2018-2020 (as per Plan Regulation).

The detailed analysis of the remuneration received is shown in Table 1 of the second part of this section.

CHIEF EXECUTIVE OFFICER (Luigi Gubitosi)

November 18 - December 31, 2018

The Company's Board of directors, at its meeting held on November 18, 2018, appointed Luigi Gubitosi as Chief Executive Officer, and at the same time hired him as a manager on a permanent employment contract, appointing him General Manager.

During the period in question, gross remuneration for his employment by the Company amounts to 1,000,000 per annum, gross, while a fixed sum of 400,000 euros per annum, gross, was awarded to him as remuneration pursuant to Article 2389, subsection 3, of the Italian Civil Code (excluding remuneration for serving as a Director, pursuant to Article 2389, subsection 1, of the Italian Civil Code, and for membership of the Strategy Committee). For the same purpose, he was also attributed an MBO, a target amount 1,400,000 euros gross for year 2019.

As part of the Long-term Incentive 2018-2020 Plan, Mr Gubitosi was attributed - for the 2019-2020 period, the right to receive 10,980,392 ordinary TIM S.p.A. shares free of charge at target level. Depending on the degree to which performance targets for the three-year period 2018-2020 are met, this number may be reduced or may be raised up to a maximum of 19,215,686 shares.

The detailed analysis of the remuneration received is shown in Table 1 of the second part of this section.

KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

The fixed remuneration of the Key Managers with Strategic Responsibilities comprises the gross annual remuneration in respect of their employment.

Considering that the TIM Group Ebitda at the minimum level (95% of budget target), valid as a condition for access to all other targets, was not reached, the entire MBO measure for 2018 was cancelled.

Please also note that, during the 2018 salary review, the lump sum instrument was not applied to Key Managers with Strategic responsibilities.

Details of the remuneration of Key Managers with Strategic Responsibilities during the year 2018 are set out in table 1 in the second part of this section.

2014-2016 Stock Option Plan

At December 31, 2018, Key Managers with Strategic Responsibilities could exercise 1,077,126 options (valid up to 24/3/2020) for the subscription of TIM ordinary shares, as reported in detail in table 2 in the second part of this section.

Special Award 2016

At December 31, 2018, Key Managers with Strategic Responsibilities were the recipients of bonuses totaling 1,000,000 euro (800,000 euro of which represented by 1,025,640 TIM S.p.A. ordinary shares), as detailed in tables 3A and 3B in the second part of this section.

Without prejudice to the provisions of the Plan Regulations, the bonus will be paid, in both cash and shares, after the board has approved the financial statements for 2019 (in 2020).

2018-2020 Long-Term Incentive Plan

Following the launch of the 2018-2020 Long-Term Incentive Plan, decided by Telecom Italia's Board of Directors at its meeting held on July 24, 2018, Key Managers with Strategic Responsibilities in office on December 31, 2018, were eligible to receive 13,357,139 TIM S.p.A ordinary shares free of charge, at target. Depending on the degree to which performance targets for the three-year period 2018-2020 are met, this number could reduce or raise up to a maximum of 20,035,707 shares. The Plan's contact persons are detailed in Table 3A in the second part of this section.

REMUNERATION PAID IN 2018

TABLE 1: STOCK OPTIONS ASSIGNED TO MEMBERS OF THE MANAGEMENT AND CONTROL BODY AND TO OTHER KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

The remuneration due to all the individuals who, during the financial year 2018, or a part thereof, held the position of member of the Board of Directors, of member of the management and control body, or Manager with Strategic Responsibilities (for this last category the information is shown in aggregate form) are shown below.

Current Board of Directors

(in thousands of euros)

Notes	A Name and surname	B Position	C Period of office (dd.mm)	D Expiry of office (mm.yy)	1 Fixed remuneration	2 Remuneration for taking part in committees	3 Variable remuneration non equity			4 Non monetary benefits	5 Other remuneration	6 TOTAL	7 Fair Value of compensation equity	8 Indemnity for end of office or end of working relationship
							Bonuses and other incentives	Participation sharing						
1	Fulvio Conti	Chairman	07,05 12,31	12,20	392							392		
2	Luigi Gubitosi	Chief Executive Officer General Manager	18.11 12,31	12,20	168							168		
3	Amos Genish	Chief Executive Officer General Manager	05,07 11,13 01,01 11,14	12,20	1,065		112		30			1,207		
4	Luigi Gubitosi	Director	05,04 17,11	12,20	54	35						89		
5	Amos Genish	Director	01,01 12,31	12,20	16							16		
6	Afredo Altavilla	Director	05,04 12,31	12,20	66	37						103		
7	Paola Bonomo	Director	05,04 12,31	12,20	66	25						91		
8	Giuseppina Capaldo	Director	05,04 12,31	12,20	66	37						103		
9	Maria Elena Cappello	Director	05,04 12,31	12,20	66	16						82		
10	Massimo Ferrari	Director	05,04 12,31	12,20	66	44						110		
11	Paola Giannotti	Director	05,04 12,31	12,20	66	41						107		
12	Marella Moretti	Director	05,04 12,31	12,20	66	41						107		
13	Lucia Morselli	Director	05,04 12,31	12,20	66	28						94		
14	Dante Roscini	Director	05,04 12,31	12,20	66	16						82		
15	Arnaud Roy de Puyfontaine	Director	05,04 12,31	12,20	66	16						82		
16	Rocco Sabelli	Director	05,04 12,31	12,20	66	41						107		
17	Michele Valensise	Director	05,04 12,31	12,20	66	48						114		
Total Board of Directors(a)					2,487	425	112		30			3,054		

Previous Board of Directors

(in thousands of euros)

Notes	A	B	C	D	1	2	3				6	7	8
							Variable remuneration non equity						
	Name and surname	Position	Period of office (dd.mm)	Expiry of office (mm.yy)	Fixed remuneration	Remuneration for taking part in committees	Bonuses and other incentives	Participation sharing	Non monetary benefits	Other remuneration	TOTAL	Fair Value of compensation equity	Indemnity for end of office or end of working relationship
18	Arnaud Roy de Puyfontaine	Chairman Executive	01,01 04,24	12,19	288						288		
19	Giuseppe Recchi	Executive Deputy Chairman	01,01 03,22	12,19	38						38		
20	Amos Genish	Chief Executive Officer	01,01 04,24	12,19	128						128		
21	Giuseppe Recchi	Director	01,01 03,22	12,19	25	9				13	47		
22	Camilla Antonini	Director	01,01 04,24	12,19	35	14					49		
23	Franco Bernabè	Director	01,01 05,04	12,19	38	9					47		
24	Ferruccio Borsani	Director	01,01 05,04	12,19	38	14					52		
25	Francesca Cornelli	Director	01,01 05,04	12,19	38	15					53		
26	Lucia Calvosa	Director	01,01 05,04	12,19	53	22					75		
27	Frédéric Crépin	Director	01,01 04,24	12,19	35	21					56		
28	Dario Frigerio	Director	01,01 05,04	12,19	38	9					47		
29	Felicitè Herzog	Director	01,01 04,24	12,19	35	14					49		
30	Anna Jones	Director	01,01 04,24	12,19	35	19					54		
31	Marella Moretti	Director	01,01 04,24	12,19	35	14					49		
32	Hervé Philippe	Director	01,01 04,24	12,19	35	13					48		
33	Danilo Vivarelli	Director	01,01 05,04	12,19	38	14					52		
Tota Board of Directors(b)					932	187				13	1,132		
TOTAL BOARD OF DIRECTORS (a+b)					3,419	612	112	30	13		4,186		

Board of Statutory Auditors

(in thousands of euros)

Notes	A	B	C	D	1	2	3				6	7	8
							Variable remuneration non equity						
	Name and surname	Position	Period of office (dd.mm)	Expiry of office (mm.yy)	Fixed remuneration	Remuneration for taking part in committees	Bonuses and other incentives	Participation sharing	Non monetary benefits	Other remuneration	TOTAL	Fair Value of compensation equity	Indemnity for end of office or end of working relationship
34	Roberto Capone	Chairman	01,01 04,24	12,17	44						44		
			04,24 12,31	12,20	92						92		
35	Giulia De Martino	Standing Auditor	04,24 12,31	12,20	65						65		
36	Anna Doro	Standing Auditor	04,24 12,31	12,20	65						65		
37	Marco Fazzini	Standing Auditor	04,24 12,31	12,20	65						65		
38	Francesco Schiavone Panni	Standing Auditor	04,24 12,31	12,20	65						65		
39	Vincenzo Cariello	Standing Auditor	01,01 04,24	12,17	31						31		
40	Gabriella Chersicla	Standing Auditor	01,01 04,24	12,17	31						31		
41	Gianluca Ponzellini	Standing Auditor	01,01 04,24	12,17	31						31		
42	Ugo Rock	Standing Auditor	01,01 04,24	12,17	31						31		
Total Board of Statutory Auditors (c)					520						520		

Key Managers with Strategic Responsibilities ⁽¹⁾

(in thousands of euros)

A		B	C	D	1	2	3			4	5	6	7	8
Notes	Name and surname	Position	Period of office (dd.mm)	Expiry of office (mm.yy)	Fixed remuneration	Remuneration for taking part in committees	Variable remuneration non equity			Non monetary benefits	Other remuneration	TOTAL	Fair Value of compensation equity	Indemnity for end of office or end of working relationship
							Bonuses and other incentives	Participation sharing						
Remuneration in the company drawing up the financial statements					3,400		303			142	5	3,850		2,750
Remuneration from subsidiaries					617 (2)		627 (3)				152	1,396		2,389
Total Key Managers with Strategic Responsibilities (d)					4,017		930			142	157	5,246		5,139
TOTAL REMUNERATION PAID IN 2018 (a+b+c+d)					7,956	612	1,042			172	170	9,952		5,139

- (1) Remuneration refers to those who during 2018 held, even for a fraction of a period, the position of Key Manager with Strategic Responsibilities (16 managers).
- (2) The amounts related to local labor contracts were converted at the average exchange rate of 2018 as at 06/30/2018 (Real/€ 4.14011) and as at 12/31/2018 (Real/€ 4.30628).
- (3) The amounts refer to the local bonuses of 1,190,000 and 583,000 Real respectively, converted at the average rate of exchange for 2019 at 02/28/2019 (Real/€ 4.25213).

- 1 **Fulvio Conti - Chairman**
 - col. 1 The amount refers to the fixed remunerations pursuant to Art. 2389 paragraph 3 of the Italian Civil Code received for the position of Chairman for the period 05/07 – 12/31/2018. The Chairman does not receive any remuneration as a Director, or as member of the Strategy Committee (pursuant to Article 2389, paragraph 1, of the Italian Civil Code).
- 2 **Luigi Gubitosi - Chief Executive Officer and General Manager**
 - col. 1 The amount includes the remuneration as employee (€/000 119) for the period in which he held the position of General Manager 11/18 – 12/31/2018 and the fixed remuneration pursuant to Art. 2389 paragraph 3 Italian Civil Code (€/000 49) for the period he held the position of Chief Executive Officer 11/18 – 12/31/2018. The Chief Executive Officer does not receive remuneration for the office of Director or for his membership of the Strategy Committee (pursuant to Art. 2389, subsection 1 of the Italian Civil Code).
- 3 **Amos Genish - Chief Executive Officer and General Manager**
 - col. 1 The amount includes the remuneration as employee (€/000 859) for the period in which he held the position of General Manager 01/01 – 11/14/2018 and the fixed remuneration pursuant to Art. 2389 paragraph 3 Italian Civil Code (€/000 206) for the period he held the position of Chief Executive Officer 07.05 – 11/13/2018. In the period in which he fulfilled the role, the Chief Executive Officer did not receive remuneration for the office of Director or for his membership of the Strategy Committee (pursuant to Art. 2389, subsection 1 of the Italian Civil Code).
 - col. 3 The lump sum bonus was paid to cover housing, school, transport, travel expenses, implementing what was agreed in his individual agreement with the company.
- 4 **Luigi Gubitosi – Director**
 - col. 1 The amount refers to remuneration received as Director for the period 05/04 – 11/17/2018.
 - col. 2 The amount refers to remuneration received as member of the Strategic Committee for the period 05/16 – 11/17/2018 (€/000 12) and as member of the Control and Risk Committee for the period 05/16 – 11/17/2018 (€/000 23).
- 5 **Amos Genish - Director**
 - col. 1 The amount refers to the remuneration received as Director for the period 25/04 – 03/05/2018 (€/000 2) and for the period 11/14 – 12/31/2018 (€/000 14).
- 6 **Alfredo Altavilla – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Nomination and Remuneration Committee for the period 05/16 – 12/31/2018(€/000 25) and as member of the Nomination and Remuneration Committee for the period 05/16 – 12/31/2018 (€/000 12).
- 7 **Paola Bonomo – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Nomination and Remuneration Committee for the period 05/16 – 12/31/2018(€/000 25).
- 8 **Giuseppina Capaldo – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Related Parties Committee for the period 05/16 – 12/31/2018(€/000 16) and as member of the Nomination and Remuneration Committee for the period 06/25 – 12/31/2018 (€/000 21).
- 9 **Maria Elena Cappello – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Related Parties Committee for the period 05/16 – 12/31/2018.
- 10 **Massimo Ferrari – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Strategic Committee for the period 05/16 – 12/31/2018 (€/000 16) and as member of the Control and Risk Committee for the period 05/16 – 12/31/2018 (€/000 28).
- 11 **Paola Giannotti – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Control and Risk Committee for the period 05/16 – 12/31/2018 (€/000 28) and as member of the Control and Risk Committee for the period 05/16 – 12/31/2018 (€/000 13).
- 12 **Marella Moretti – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Control and Risk Committee for the period 05/16 – 12/31/2018 (€/000 28) and as member of the Related Parties Committee for the period 06/25 – 12/31/2018 (€/000 13).
- 13 **Lucia Morselli – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Related Parties Committee for the period 05/16 – 12/31/2018 (€/000 16) and as Chairman of the Related Parties Committee for the period 05/16 – 12/31/2018 (€/000 10) and as member of the Control and Risk Committee for the period 12/06 - 12/31/2018 (€/000 2).
- 14 **Dante Roscini - Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Related Parties Committee for the period 05/16 – 12/31/2018.
- 15 **Arnaud Roy de Puyfontaine – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Strategic Committee for the period 05/16 – 12/31/2018.
- 16 **Rocco Sabelli – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Strategic Committee for the period 16/05 – 31/12/2018 (€/000 16) and as member of the Nomination and Remuneration Committee for the period 05/16 – 12/31/2018 (€/000 25).
- 17 **Michele Valensise – Director**
 - col. 1 The amount refers to the remuneration received as Board Director.
 - col. 2 The amount refers to remuneration received as member of the Nomination and Remuneration Committee for the period 05/16 – 12/31/2018 (€/000 25) and as member of the Control and Risks Committee for the period 06/25 – 12/31/2018 (€/000 23).

- 18 **Arnaud Roy de Puyfontaine – Executive Chairman**
col. 1 The amount refers to the fixed remuneration pursuant to Art. 2389 paragraph 3 of the Italian Civil Code received for the position of Executive Chairman for the period 01/01 – 04/24/2018. In the period in which he fulfilled the role, the Executive Chairman did not receive remuneration for the office of Director or for his membership of the Strategy Committee (pursuant to Art. 2389, subsection 1 of the Italian Civil Code).
- 19 **Giuseppe Recchi – Deputy Executive Chairman**
col. 1 The amount includes the fixed remuneration pursuant to Art. 2389 paragraph 3 Italian Civil Code received for the office of Deputy Executive Chairman (€/000 10) and the additional remuneration acknowledged for the organizational responsibility of the Security Function (€/000 28) for the period 01/01 – 03/22/2018.
- 20 **Amos Genish – Chief Executive Officer and General Manager**
col. 1 The amount refers to the fixed remuneration pursuant to Art. 2389 paragraph 3 of the Italian Civil Code received for the position of Chief Executive Officer for the period 01/01 –04/24/2018. In the period in which he fulfilled the role, the Chief Executive Officer did not receive remuneration for the office of Director or for his membership of the Strategy Committee (pursuant to Art. 2389, subsection 1 of the Italian Civil Code).
- 21 **Giuseppe Recchi – Director**
col. 1 The amount refers to remuneration received as Director (€/000 25) for the period 01/01 – 03/22/2018.
col. 2 The amount refers to remuneration received as Chairman of the Strategic Committee (€/000 3) and member of the Strategic Committee (€/000 6) for the period 01/01 – 03/22/2018.
col. 5 The amount refers to remuneration pursuant to Art. 2389 paragraph 1 Italian Civil Code received as Director of INWIT S.p.A. for the period 01/01 – 04/12/2018.
- 22 **Camilla Antonini – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Control and Risks Committee.
- 23 **Franco Bernabè – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Strategic Committee.
- 24 **Ferruccio Borsani – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Nomination and Remuneration Committee.
- 25 **Francesca Cornelli – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Control and Risks Committee.
- 26 **Lucia Calvosa – Director**
col. 1 The amount refers to remuneration received as Board Director (€/000 38) and Director with functions as link between the Board of Directors and the company control structures which report hierarchically to the Board of Directors (€/000 15).
col. 2 The amount refers to remuneration received as member of the Control and Risks Committee (€/000 15) and as Chairman of the Control and Risks Committee for the period (€/000 7).
- 27 **Frédéric Crépin – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Strategic Committee (€/000 8) and member of the Nomination and Remuneration Committee (€/000 13).
- 28 **Dario Frigerio – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Strategic Committee.
- 29 **Félicité Herzog – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Control and Risks Committee.
- 30 **Anna Jones – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Nominations and Remunerations Committee (€/000 13) and as Chairman of the Nomination and Remuneration Committee (€/000 6).
- 31 **Marella Moretti – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Control and Risks Committee.
- 32 **Hervé Philippe – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Nomination and Remuneration Committee.
- 33 **Danilo Vivarelli – Director**
col. 1 The amount refers to the remuneration received as Board Director.
col. 2 The amount refers to remuneration received as member of the Nomination and Remuneration Committee.
- 34 **Roberto Capone – Chairman**
col. 1 The amount refers to remuneration received as Chairman of the Board of Statutory Auditors.
- 35 **Giulia De Martino – Standing Auditor**
col. 1 The amount refers to the remuneration received as Standing Auditor.
- 36 **Anna Doro – Standing Auditor**
1 The amount refers to the remuneration received as Standing Auditor.
- 37 **Marco Fazzini – Standing Auditor**
col. 1 The amount refers to the remuneration received as Standing Auditor.
- 38 **Francesco Schiavone Panni – Standing Auditor**
col. 1 The amount refers to the remuneration received as Standing Auditor.
- 39 **Vincenzo Cariello – Standing Auditor**
col. 1 The amount refers to the remuneration received as Standing Auditor.
- 40 **Gabriella Chersicla – Standing Auditor**
col. 1 The amount refers to the remuneration received as Standing Auditor.
- 41 **Gianluca Ponzellini – Standing Auditor**
col. 1 The amount refers to the remuneration received as Standing Auditor.
- 42 **Ugo Rock – Standing Auditor**
col. 1 The amount refers to the remuneration received as Standing Auditor.

TABLE 2: STOCK OPTIONS ASSIGNED TO MEMBERS OF THE MANAGEMENT AND CONTROL BODY AND TO OTHER KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

Date: 12/31/2018

		In the company drawing up the financial statements		In subsidiaries and associates		
Name and surname	A					TOTAL
Position	B	Chief Executive Officer	Key Managers with Strategic Responsibilities	Key Managers with Strategic Responsibilities		
Plan and respective resolution	1		Plan Stock Option 2014-2016 04/16/2014	Stock Option 2016 11/08/2016		
Options held at the beginning of the financial year	2	Number of options	1,704,571	632,184	2,336,755	
	3	Strike price	€0.94 € 1.01 €1.15	R\$ 8.0977 (2)		
	4	Possible exercise period (from/to)	2017/2020	2017-2022		
Options allocated during the financial year	5	Number of options				
	6	Strike price				
	7	Possible exercise period (from/to)				
	8	Fair value on allocation date				
	9	Allocation date				
10	Market price of underlying options on allocation of options					
Options exercised during the financial year	11	Number of options				
	12	Strike price				
	13	Market price of underlying options on exercise date				
Options expired during the financial year	14	Number of options	627,445 (1)	632,184 (3)	1,259,629	
Options held at the end of the financial year	15	(15)=(2)+(5)-(11)-(14)	1,077,126		1,077,126	
Options for the year	16	Fair value				

- (1) Balance between those options held at the time of sale, and those held at the time of entering/exiting the category of Key Managers with Strategic Responsibilities.
- (2) The price exercised may be corrected based on conditions established in the plan.
- (3) Options are acknowledged in cash based on the spread between the Exercise price and the average value of shares ON TIMP3, weighted for the volume negotiated, in the negotiation sessions of the 30 days prior to the transfer date.

TABLE 3A: INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS, OTHER THAN STOCK OPTIONS, FOR MEMBERS OF THE MANAGEMENT BODY AND KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

Date: 12/31/2018

		In the company drawing up the financial statements			In subsidiaries and associates		
Name and surname	A	Amos Genish	Luigi Gubitosi				
Position	B	Chief Executive Officer		Key Managers with Strategic Responsibilities	Key Managers with Strategic Responsibilities		TOTAL
Plan and respective resolution	1	Long-term Incentive 2018-2020		Special Award year 2016 component	Long-term Incentive Plan 2018-2020	Long-term Incentive Plan 2018-2020	
Financial instruments assigned in previous financial years not vested during the financial year	2	Number and type of financial instruments		Entitlement to the free assignment of TIM ordinary shares of a value equal to 80% of the maximum bonus of 15,000,000			
	3	Vesting period		Financial year 2016			
Financial instruments assigned during the financial year	4	Number and type of financial instruments		26,666,666 <i>Performance Shares</i>	19,215,686 <i>Performance Shares</i>	20,035,707 <i>Performance Shares</i>	208,231 shares Plan 2018
	5	Fair value on allocation date		€ 7,824,667	€ 3,512,627	€ 6,062,362	€ 17,399,656
	6	Vesting period		2018-2020	2019-2020	2018-2020	3 years
	7	Allocation date		07/24/2018	11/18/2018	07/24/2018	04/20/18
	8	Market price on allocation		€0.608	€0.526	€0.608	R\$ 14.4071
Financial instruments vested during the financial year and not assigned	9	Number and type of financial instruments		26,666,666 (1)			26,666,666
Financial instruments vested during the financial year and assigned	10	Number and type of financial instruments		19,215,686		20,035,707	208,231 (3)
	11	Value on vesting date					
Financial instruments for the year	12	Fair value		(2)		€ 1,045,235	€ 1,045,235

(1) Mr. Genish was not acknowledged anything as Long-term Incentive 2018-2020 (as per Plan Regulation).

(2) There are no charges entered in the income statement for the financial year 2018, since Mr. Gubitosi is a recipient of the 2019-2020 plan.

(3) The shares, cancelled, were acknowledged in cash based on the number of months worked.

TABLE 3B: MONETARY INCENTIVE PLANS FOR MEMBERS OF THE MANAGEMENT BODIES

(in thousands of euros)

A	B	1	2			3		4
Name and surname	Position	Plan	Bonus for the year			Bonus for previous years		Other Bonuses
			(a)	(b)	(c)	(a)	(b)	(c)
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still Deferred
Amos Genish	Chief Executive Officer	MBO 2018 BoD Resolution 05/16/2018	(1)					
								112
Remuneration in the company drawing up the financial statements								112
Remuneration in subsidiaries and associates								
TOTAL								112

(1) Considering that the TIM Group Ebitda at the minimum level (95% of budget target), valid as a condition for access to all other targets, was not reached, the entire MBO measure for 2018 was cancelled.

TABLE 3B: MONETARY INCENTIVE PLANS FOR KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

(in thousands of euros)

A	B	1	2			3		4			
Name and surname	Position	Plan	Bonus for the year			Bonus for previous years		Other Bonuses			
			(a)	(b)	(c)	(a)	(b)	(c)			
			Payable/Paid	Deferred	Deferral period	No longer payable	Payable/Paid	Still Deferred			
Key Managers with Strategic Responsibilities											
Remuneration in the company drawing up the financial statements		MBO 2018 05/10/2018	(1)								
		Special Award 2016 06/20/2017				90 ⁽²⁾		200			
								303			
Remuneration in subsidiaries and associates		MBO 2018 08/18/2018	280 ⁽³⁾								
		Long-term Bonus 2018 04/20/2018	137 ⁽³⁾								
								210 ⁽⁴⁾			
TOTAL								417	90	200	513

(1) Considering that the TIM Group Ebitda at the minimum level (95% of budget target), valid as a condition for access to all other targets, was not reached, the entire MBO measure for 2018 was cancelled.

(2) Of which (€ 50,000) as a result of assignments, and (€ 40,000) as a result of leaving the Key Managers with Strategic Responsibility category.

(3) The amounts refer to the local bonuses of 1,190,000 and 583,000 Real respectively, converted at the average rate of exchange for 2019 at 02/28/2019 (Real/€ 4.25213).

(4) The amount was converted to euro at the average rate of exchange for 2018 at 30/09/2018 (Real/€ 4.29236).

CHART 7-TER: CHART CONTAINING INFORMATION ON THE SHAREHOLDINGS OF MEMBERS OF THE MANAGEMENT AND CONTROL BODIES AND KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

The table below shows the shareholdings held by all the individuals who during the financial year 2018, or a part thereof, held the position of member of the Board of Directors, of member of the Board of Statutory Auditors, or key manager with strategic responsibilities (for this last category the information is shown in aggregate form).

Name and surname	Position	Investee Company	Category of shares	Number of shares owned at the end of the previous financial year (or on the date of appointment)	Number of shares bought during the financial year	Number of shares sold during the financial year	Number of shares owned at the end of the financial year (or on the date of termination of office if earlier)
Board of Directors							
Fulvio Conti	Chairman	TIM S.p.A.	Ordinary	12,503 ^(*)			12,503 ^(*)
Luigi Gubitosi	Chief Executive Officer	TIM S.p.A.	Ordinary		1,000,000		1,000,000
Alfredo Altavilla	Director						
Paola Bonomo	Director						
Giuseppina Capaldo	Director						
Maria Elena Cappello	Director						
Massimo Ferrari	Director	TIM S.p.A. TIM S.p.A.	Ordinary Savings	40,000	50,000 46,000		90,000 46,000
Amos Genish	Director	TIM S.p.A.	Ordinary		1,000,000	1,000,000	
Paola Giannotti	Director						
Marella Moretti	Director						
Lucia Morselli	Director						
Arnaud Roy de Puyfontaine	Director						
Dante Roscini	Director						
Rocco Sabelli	Director						
Michele Valensise	Director	TIM S.p.A.	Ordinary	30,000			30,000
Giuseppe Recchi	Deputy Chairman						
Camilla Antonini	Director						
Franco Bernabè	Director						
Ferruccio Borsani	Director						
Lucia Calvosa	Director						
Francesca Cornelli	Director						
Frédéric Crépin	Director						
Dario Frigerio	Director	TIM S.p.A.	Ordinary	600,000			600,000
Félicité Herzog	Director						
Anna Jones	Director						
Hervé Philippe	Director	TIM S.p.A.	Ordinary	12,500			12,500
Danilo Vivarelli	Director						
Board of Statutory Auditors							
Roberto Capone	Chairman						
Giulia De Martino	Standing Auditor						
Anna Doro	Standing Auditor						
Marco Fazzini	Standing Auditor						
Francesco Schiavone Panni	Standing Auditor						
Vincenzo Cariello	Standing Auditor						
Gabriella Chersicla	Standing Auditor						
Gianluca Ponzellini	Standing Auditor						
Ugo Rock	Standing Auditor						
Key Managers with Strategic Responsibilities							
16		Telecom Italia S.p.A. Tim Participações	Ordinary Ordinary (**)	76,025	55,645		76,025 55,645

(*) Number 12,500 AZO are owned by the spouse not legally separated.

(**) Shares listed on the NYSE and BOVESPA markets.

APPENDIX – TABLE OF REMUNERATION PLANS
REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS
TABLE NO.1 OF CHART 7 OF APPENDIX 3A OF THE REGULATIONS NO.12071/2099

Date: 12/31/2018

		FRAMEWORK 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to currently valid plans, approved on the basis of previous resolutions of the Shareholders' Meeting						
Name or category	Position	Date of resolution by the Shareholders' Meeting	Types of financial instrument	Number of financial instruments allocated	Allocation date	Purchase price, if applicable, of the instruments	Purchase price, if applicable, of the instruments	Vesting period
Amos Genish (1)	Chief Executive Officer	04/24/2018	Performance Share	26,666,666	07/24/2018	N.A.	€0.608	2018/2020
Luigi Gubitosi	Chief Executive Officer	04/24/2018	Performance Share	19,215,686	11/18/2018	N.A.	€0.526	2019/2020
Key Managers with Strategic Responsibilities		04/24/2018	Performance Share	20,035,707	07/24/2018	N.A.	€0.608	2018/2020
Key Managers with Strategic Responsibilities		Special Award year 2016 component 25/05/2016	Rights to the free allocation of TIM ordinary shares in a number reflecting the overperformance of the financial year	Countervalue equal to 80% of the maximum bonus of 15,000,000 euros	06/19/2017	N.A.	€0.836	Financial year 2016 (2)

(1) Mr. Genish was not acknowledged anything as Long-term Incentive 2018-2020 (as per Plan Regulation).

(2) The assignment of shares shall take place subject to provisions of the Plan's Rules, following approval by the Board of the financial statements for the year 2019 (year 2020).

Date: 12/31/2018

		FRAMEWORK 2							
		Stock Option							
		Section 1							
		Options relating to currently valid plans, approved on the basis of previous resolutions of the Shareholders' Meeting							
Name or category	Position	Date of resolution by the Shareholders' Meeting	Description of instrument	Options held	Options exercised	Date of Assignment	Strike price	Market price of underlying shares on date of allocation	Possible exercise period (from-to)
Key Managers with Strategic Responsibilities		SOP 2014/2016 04/16/2014	Options to subscribe TIM ordinary shares are conditional upon achieving the three-year performance objectives	1,077,126		06/26/2014	€0.94	€0.93	2017-2020
Other Executives of the Telecom Italia Group		SOP 2014/2016 04/16/2014	Options to subscribe TIM ordinary shares are conditional upon achieving the three-year performance objectives	12,420,280 343,069 133,042		06/26/2014 03/02/2015 01/04/2016	€0.94 €1.01 €1.15	€0.93 €1.08 €1.127	2017-2020 2017-2020 2017-2020

A further 893,617 options may be exercised for the period 2017-2020 (strike price € 0.99 per share), assigned to the former Chief Executive Officer, Mr. Flavio Cattaneo.