

2019

Report

on the remuneration policy
and remuneration paid



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2019 - Report on the remuneration policy and remuneration paid

pursuant to Article 123-ter of the Consolidated Law on Finance
(Report approved by the Board of Directors at its meeting of March 10, 2020
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LETTER FROM THE CHAIR OF THE NOMINATION AND REMUNERATION COMMITTEE



Alfredo Altavilla

Dear shareholders,

As Chair of Telecom Italia's Nomination and Remuneration Committee, I am pleased to present the Report on the Remuneration Policy 2020 and compensation paid in 2019 with reference to Directors, Statutory Auditors and Key Managers with Strategic Responsibilities.

Approval of the 2020 Remuneration Policies will be proposed to the Shareholders' Meeting on April 23 this year.

In 2019, the Appointments and Remuneration Committee set itself the objective of making the remuneration systems for management, and in particular for the Chief Executive Officer and Key Managers with Strategic Responsibilities, consistent with the guidelines of the Strategic Plan and more in line with stakeholders' expectations, also taking into account the feedback recorded at last year's Shareholders' Meeting.

TIM's remuneration policy reflects the growth in its financial results and the development of its environmental sustainability policy over the medium-long term, helping to align the actions of its management with the interests of its shareholders.

Consequently, we have placed particular emphasis on ESG issues by including specific indicators in both short- and long-term incentive schemes.

With regard to MBO, management was incentivized based on the level of satisfaction of the two essential stakeholders for the company: customers (external), through the Customer Satisfaction Index, an indicator of business sustainability; and our people (internal), through an Employee Engagement indicator.

The environmental sustainability policy was also included in the Long-Term Incentive Plan, by including a payout multiplier/demultiplier based on the growth in the use of renewable energies and the reduction of CO2 emissions.

The Committee has redesigned the architecture of the short-term variable incentive system (MBO) with particular regard to the identification of economic-financial objectives, connected to the Strategic Plan drawn up by the Board of Directors as part of the business planning process.

It has also designed a new equity-based and rolling Long-Term Incentive Plan (LTI) that is highly innovative and in line with best practice, which supports the implementation of the company's strategies in the three years 2022-2022.

The number of recipients of the Plan has been essentially doubled in order to pursue more widespread management motivation and to improve the company's ability to attract and retain staff.

Among the other topics dealt with, I would mention the remuneration issues related to succession in the office of Chairman, with subsequent transfer to the Board of Directors of its recommendations in this regard.

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 and support for the policies adopted for 2020.

Alfredo Altavilla
Chair of Nomination and Remuneration Committee

Introduction

This Report, approved by the Board of Directors on the proposal of the Appointments and Remuneration Committee (hereinafter “the Committee”), illustrates:

- in the first section, the Policy adopted for 2020 by Telecom Italia S.p.A. for the remuneration of Directors, Statutory Auditors and Key Managers with strategic responsibilities;
- in the second section, the implementation of remuneration policies and remuneration paid in 2019.

The Policy described in the first section refers to an annual period and has been prepared in line with the remuneration recommendations of the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana (hereinafter the “Corporate Governance Code”).

New Developments 2020

The main changes with respect to the 2019 remuneration policy, summarized below, are intended to highlight some critical comments made by stakeholders at the Shareholders’ Meeting held on March 29, 2019:

- launch of a new LTI plan, the approval of which will be proposed at the Shareholder’s Meeting scheduled on April 23, 2020, consistent with strategic planning cycles and with corporate sustainability, equity-based and rolling policies, with realignment of the CEO’s pay opportunity to the market benchmark;
- elimination of the End of Mandate Indemnity for the Non-Executive Chairman;
- elimination of the possibility of awarding independent of performance conditions discretionary bonuses to Key Managers with Strategic Responsibilities.

Executive Summary

TIM's remuneration policy aims to ensure the necessary levels of competitiveness of the company in the labor market and to support the achievement of the objectives considered strategic by the company. The resulting remuneration architecture features the balancing of remuneration (fixed and variable) and the enhancement of the benefits and welfare system, with a view to pursuing long-term sustainable results in line with TIM's risk management policy.

Tim's remuneration policy essentially consists of the following components:

- Fixed Remuneration
- Short-Term Variable Remuneration
- Long-Term Variable Remuneration
- Benefits and Welfare

the key elements of which are summarized below.

Remuneration Element	Purpose and characteristics	Description	Economic Values
<p>Fixed Remuneration (see page 9)</p>	<p>The fixed component of remuneration is aimed at appreciating the breadth and strategic nature of the role performed and is anchored to the reference market.</p>	<p>For 2020, the orientation is confirmed to progressively align individual positioning (commensurate with the responsibilities assigned and the role held) with market references, determined on the basis of periodic benchmarks, carried out with two reference Peer Groups:</p> <ul style="list-style-type: none"> • Industry Peer Group: American Movil, AT&T, BT Group, Deutsche Telekom, Koninklijke KPN, Orange, Proximus, Swisscom, Telefonica, Telekom Austria, Telenor, Telia Company, Verizon Comm., Vodafone) • FTSE MIB Peer Group: Atlantia, Campari, Enel, ENI, FCA, Leonardo, Prysmian Group, Saipem, Snam, Terna. 	<p>Chairman: €600,000 gross per year.</p> <p>Chief Executive Officer: €1,400,000 gross per year.</p> <p>Key Managers with Strategic Responsibilities (KMSRs): commensurate with the role performed, with reference to the market median.</p>
<p>Short-Term Variable Remuneration (MBO) (see page 9)</p>	<p>The short-term variable component is aimed at supporting the achievement of the company's results, ensuring consistency in the structuring of objectives through the allocation of challenging and transversal targets to the entire organization.</p> <p>The target value of the incentives is commensurate with the fixed component, according to different proportions depending on the role held.</p>	<p>Performance GATE: TIM GROUP EBITDA, with a minimum level differentiated between CEO, Direct Reports to the CEO, Control Functions and the rest of the management concerned</p> <p>CEO objectives</p> <ul style="list-style-type: none"> • TIM Group EBITDA • TIM Group Equity Free Cash Flow • TIM Group Net Financial Position • TIM Group Services Revenues • ESG objectives (Customer Satisfaction Index and Employee engagement) <p>KMSRs objectives:</p> <ul style="list-style-type: none"> • In addition to the objectives attributed to the Chief Executive Officer, there is a specific Function objective <p>Objectives for Control Function Managers</p> <ul style="list-style-type: none"> • TIM Group EBITDA • Function Objectives <p>Payout levels:</p> <ul style="list-style-type: none"> • Minimum: 50% of the target bonus • Target: 100% of the target bonus • Maximum: 150% of the target bonus 	<p>Chairman: not provided</p> <p>Chief Executive Officer: gross value at target equal to 100% of the Fixed Remuneration.</p> <p>KMSRs: gross value at target up to 50% of Fixed Remuneration and commensurate with the role performed.</p> <p>Control Function Managers: gross value at target equal to 35% of the Fixed Remuneration</p>

Remuneration Element	Purpose and characteristics	Description	Economic Values
<p data-bbox="193 1126 352 1211">Long-term Variable Remuneration</p> <p data-bbox="209 1243 336 1270">(see page 10)</p>	<p data-bbox="395 887 639 1301">The long-term variable component of remuneration is designed to promote alignment between the interests of management and those of shareholders through participation in business risk. The target value of the incentives is commensurate with the fixed component, according to different proportions based on the role performed.</p>	<p data-bbox="671 215 1066 266">The variable remuneration paid is subject to clawback.</p> <p data-bbox="671 277 1066 488">Demultiplier: the reduction factor on the overall payout is increased to 5%, linked to the failure to implement corrective actions/remediation plans defined with the Control Functions (malus mechanism introduced on an experimental basis in 2019 with a 2% incidence).</p> <hr/> <p data-bbox="671 510 1066 640">At the Shareholders' Meeting of April 23, 2020, the approval of a new long-term incentive, equity-based, rolling plan called 2020-2022 LTI Plan is proposed.</p> <p data-bbox="671 645 799 669">Type of Plan:</p> <p data-bbox="671 674 1015 698">CEO: Performance Shares for 100%</p> <p data-bbox="671 703 1058 777">KMSRs: Performance Share for 70% and attraction/retention component for 30%.</p> <p data-bbox="671 781 1034 806">Frequency: 3 annual allocation cycles</p> <p data-bbox="671 810 1042 835">Vesting period: triennial for each cycle</p> <p data-bbox="671 840 879 864">Architecture for CEO:</p> <ul data-bbox="687 869 1066 1245" style="list-style-type: none"> • in relation to the performance shares assigned, the free allocation of ordinary shares is subject to the achievement of an access gate and varies in number depending on the level of achievement of two performance indicators: <ul data-bbox="719 1066 1066 1245" style="list-style-type: none"> - Access gate, represented by the value of the security at the end of the cycle \geq the value of the security at the start of the cycle - TIM GROUP NFP/EBITDA (40%) - Relative performance of the share price compared to a panel of peers (60%) <p data-bbox="671 1249 903 1274">Architecture for KMSRs:</p> <ul data-bbox="671 1279 1066 1621" style="list-style-type: none"> • 70% of the profit at target is expressed by performance share, with access gate and pay-out variability depending on the level of achievement of performance indicators, similarly to what is expected for the CEO • 30% of the pay opportunity is not linked to performance conditions but ON/OFF based on the maintenance of the employment relationship with the Company or other Group Company. <p data-bbox="671 1653 1066 1863">Multiplier/Demultiplier +/- 4% of total payout, linked to the growth in the % use of renewable energy in total energy and the reduction of CO2 emissions. The correction factor applies to both components of the Plan, both Performance Shares and the attraction/retention component.</p> <p data-bbox="671 1868 839 1892">Lock-up: 2 years</p> <p data-bbox="671 1897 1066 1946">Clawback: the plan is subject to clawbacks.</p> <p data-bbox="847 1951 887 1966">****</p> <p data-bbox="671 1980 1050 2110">A condition for participation in the first cycle of the 2020-2022 LTI Plan is the non-inclusion or waiver of the 2020 bonus share of the pre-existing 2018-2020 Performance Share Plan.</p>	<p data-bbox="1098 277 1289 302">CEO: not applicable</p> <p data-bbox="1098 315 1406 367">KMSRs and Control Function Managers: applicable</p> <hr/> <p data-bbox="1098 510 1334 535">Chairman: not provided.</p> <p data-bbox="1098 595 1406 725">Chief Executive Officer: the target value of the pay opportunity per allocation cycle is 125% of the fixed remuneration, with payout:</p> <ul data-bbox="1114 730 1334 815" style="list-style-type: none"> • Minimum: 75% • Target: 125% • Maximum: 200% <p data-bbox="1098 875 1406 978">KMSRs: the target value of the pay opportunity per allocation cycle is 100% of the Fixed Remuneration.</p> <p data-bbox="1098 983 1406 1140">Compared to 70% of the pay opportunity (represented by performance shares), the payout levels, expressed as a % of fixed remuneration, per allocation cycle are:</p> <ul data-bbox="1114 1144 1334 1229" style="list-style-type: none"> • Minimum: 50% • Target: 100% • Maximum: 150% <p data-bbox="1098 1234 1406 1417">The remaining 30% of the pay opportunity is ON/OFF contingent on the maintenance of the employment relationship with the Company or other Group Company.</p> <p data-bbox="1098 1476 1406 1686">Control Function Managers: the target value of the pay opportunity per assignment cycle is 75% of the Fixed Remuneration, with a payout curve of the performance share component similar to that indicated for KMSRs.</p>

Remuneration Element	Purpose and characteristics	Description	Economic Values
Severance (see page 12)	It regulates the indemnity to be paid in the event of early termination of the directorship or termination of employment, in the absence of just cause for dismissal.	The severance clause may be accompanied by a non-competition clause, depending on the relevance and strategic nature of the role performed.	Executive Directors: not exceeding 24 months' remuneration. KMSRs: treatments provided for by law and CCNL; additional allowances may not exceed 24 months' salary.
Benefits and Welfare (see page 13)	Services offered to all (welfare) or in relation to the role held (benefits) functional to increase individual and family wellbeing from an economic and social point of view.	Defined in continuity with last year's policy: coverage of health care costs, supplementary pension, insurance policies, personal services, check-ups, loans, mixed-use car, mobile phone.	Chairman: not recipient of any benefit Chief Executive Officer and KMSRs: recipients of benefits and welfare services, by analogy with the rest of management

Directors and Statutory Auditors (except for the CEO and the Chairman) receive only fixed remuneration for their office (see page 18) and the reimbursement of any expenses incurred in the performance of their duties. The Company is also covered by an occupational risk policy extended to all its Directors & Officers (including Statutory Auditors).

SECTION I - REMUNERATION POLICY 2020

PARTIES INVOLVED IN THE REMUNERATION PROCESS

The remuneration policy involves the following bodies.

SHAREHOLDERS' MEETING

- It determines the remuneration of the Board of Directors as a whole, with the exception of Directors holding special offices, Statutory Auditors and the Chairman of the Board of Statutory Auditors
- It makes a binding vote on the first section and a non-binding vote on the second section of the Remuneration Report
- It approves remuneration plans based on the allocation of financial instruments.

Board of Directors

- Resolves on the allocation of the remuneration determined by the Shareholders' Meeting for the Board (when established in a total amount for the body as a whole)
- Defines the remuneration policy
- Determines the remuneration of Directors holding special offices
- Defines the objectives and performance targets of the Executive Directors and assesses their achievement with regard to short- and long-term incentive schemes
- Defines the remuneration of control function managers (Audit, Compliance, IT & Security Compliance)
- Formulates proposals to the Shareholders' Meeting on remuneration plans based on the allocation of financial instruments
- Prepares the Remuneration Report.

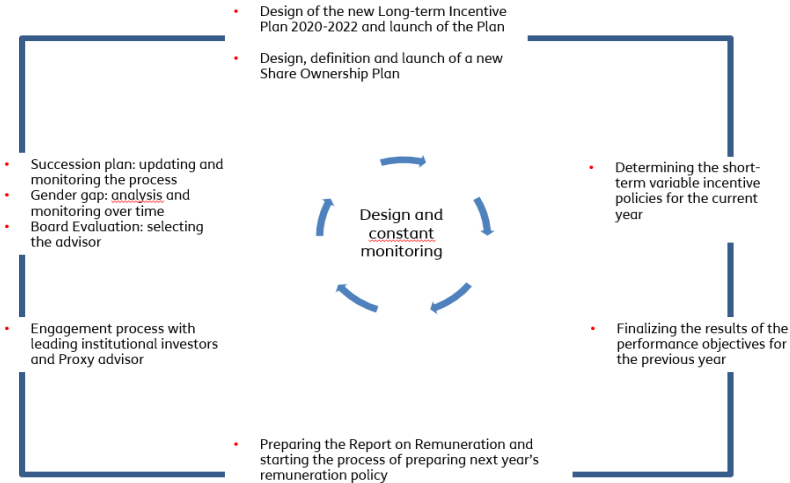
In order to ensure that the choices made with regard to remuneration are adequately prepared, the Board of Directors avails itself of the support of the Nomination and Remuneration Committee.

Nomination and Remuneration Committee

- It proposes to the Board of Directors the criteria for allocating the total remuneration established by the Shareholders' Meeting for the Board as a whole, as well as the remuneration of Directors holding special offices
- Examines with the support of the Human Resources, Organization & Real Estate Function the policy for the remuneration of the managerial population, with particular regard to Key Managers with Strategic Responsibilities
- Examines proposals to the Board of Directors for remuneration plans based on financial instruments
- Evaluates the adequacy, the concrete application and the consistency of the remuneration policy, also with reference to the actual company performance, making suggestions and possible corrective proposals
- It ascertains the level of achievement of the objectives set out in the short- and long-term variable incentive plans of the Executive Management in application of the measurement criteria determined at the time of allocation, and instructs the architecture of the objectives and performance targets linked to the following year's variable incentive scheme
- It follows the evolution of the reference regulatory framework and market best practices in the field of remuneration, collecting insights for the design and improvement of the remuneration policy
- It takes care of the engagement process towards proxy advisors when defining the Remuneration Policy to be submitted, subsequently, to a vote at the Shareholders' Meeting.

For the composition, the specific activities carried out and the operating procedures of the Committee, please refer to the provisions of its Rules and Regulations, available at the website www.telecomitalia.com, Group section, *Governance System channel* .

For 2020, the Committee has planned activities as follows:



Board of Statutory Auditors

The Board of Statutory Auditors formulates the opinions required by current legislation on proposals for the remuneration of Directors holding special offices. In accordance with the Company's Corporate Governance Principles, it also expresses its opinion on the remuneration of the managers of the control functions.

2020 REMUNERATION POLICY GUIDELINES AND INSTRUMENTS

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

The guidelines defined take into account the remuneration policies implemented in the past, the remuneration instruments already in use and the assessments made by analysts and investors at the Shareholders’ Meeting of March 29, 2019. In view of this, the 2020 remuneration policy is designed to pursue:

- the achievement of the Company’s strategic and ESG objectives in the long term
- the competitiveness of the company on the labor market
- engagement by people
- the protection of the principles of internal equity, including gender equality
- the alignment of management’s interests with the creation of value for shareholders as well as the long-term sustainability of results
- the safeguarding of consistency at Group level, while taking into account the diversity of the reference markets.

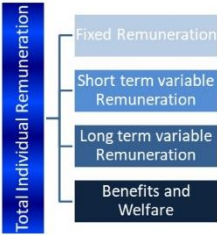
The definition of policies is supported by an analysis of market practices both in terms of remuneration levels and the composition of remuneration packages, with a panel of companies in the Telco and Media sector at international level (*peer Group Industry*) and Italian companies comparable in terms of size and/or market capitalization (*FTSE MIB peer Group*). The panel identified is subject to periodic review.

INDUSTRY PEER GROUP	
America Movil	Swisscom
AT&T	Telefonica
BT Group	Telekom Austria
Deutsche Telekom	Telenor
Koninklijke KPN	Telia Company
Orange	Verizon Comm.
Proximus	Vodafone

FTSE MIB PEER GROUP	
Atlantia	Leonardo
Campari	Prysmian Group
Enel	Saipem
ENI	Snam
FCA	Terna

The components of individual remuneration are:

- Fixed Remuneration (the only form of remuneration envisaged for Directors without particular offices, i.e., other than the Chairman and the Chief Executive Officer, and for Statutory Auditors)
- Short-Term Variable Remuneration
- Long-Term Variable Remuneration
- Benefits and Welfare.



The integration of the different remuneration components makes it possible to balance monetary and non-monetary instruments appropriately, with the aim of raising recipients’ satisfaction at a sustainable cost.

The individual remuneration components are analyzed below.

FIXED REMUNERATION

With respect to management, the breadth and strategic nature of the role is measured through internationally recognized and certified position evaluation systems. Tim verifies its remuneration positioning annually through market benchmarks that analyze the national and international context.

The need to ensure economically sustainable business management determines the selectivity of salary increases, which – in continuity with the previous year – will concern cases of high quality of the resource and misalignment with the reference market.

For 2020, the orientation to progressively align fixed remuneration with market practices, through differentiated modalities, is confirmed. In particular:

- for resources with high seniority, strong market exposure and relevance of the position held – which includes Key Managers with Strategic Responsibilities – the median of the reference market will be taken as a reference, with the possibility of reaching even higher values;
- for the other resources, values below the market median will be taken as reference.

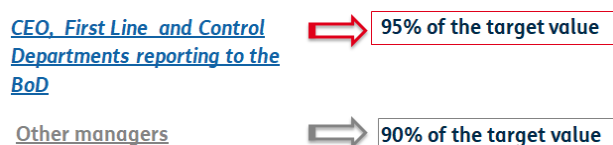
With regard to the components of the corporate bodies, in convening the Shareholders' Meeting on May 4, 2018 for the renewal of the body, the outgoing Board of Directors – as is customary – has submitted the proposals for remuneration in full to the shareholders. The method of allocating the total remuneration established by the Shareholders' Meeting as proposed by the relative majority shareholder (Vivendi SA) takes into account the peers' benchmarks in terms of industry and the financial market, as well as the workload and responsibilities related to participation in the Board-established committees.

The Statutory Auditors' remuneration was established by the Shareholders' Meeting of April 24, 2018, on the proposal of the relative majority shareholder, Vivendi SA. In this regard, in view of the appointment of the Board of Statutory Auditors, the Board of Directors had invited the shareholders to consider the responsibilities of the body under national law as well as the tasks incumbent on it to perform the function of audit committee under US law (at the time applicable to the Company as a foreign private issuer listed on the New York Stock Exchange), as well as the supervisory body pursuant to Legislative Decree No. 231/2001.

SHORT-TERM VARIABLE REMUNERATION

The Short-Term Incentive System

The architecture of the MBO system for 2020 presents some new features compared to the previous year, with regard to both the mix of objectives and the relative weights attributed to them for the different types of recipients. The system provides for a performance gate consisting of the TIM Group EBITDA business indicator, which continues to be a condition for access to the bonus linked to all the objectives assigned to the beneficiaries of the Incentive Plan. In 2020, the differentiation in the level of challenge required of management in achieving the EBITDA Gate is confirmed; the minimum level is therefore differentiated as follows:



For the Chief Executive Officer, the following objectives are envisaged:

OBJECTIVES	WEIGHT
TIM GROUP EBITDA (GATE)	30%
TIM GROUP EQUITY FREE CASH FLOW	25%
TIM GROUP NFP	15%
TIM GROUP SERVICES REVENUES	10%
ESG INDICATOR	20%
•EMPLOYEE ENGAGEMENT (50%)	
•CUSTOMER SATISFACTION INDEX (50%)	

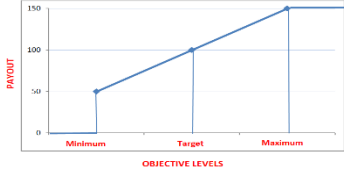
An important innovation is the introduction of an ESG target, consisting of the Customer Satisfaction Index and the Employee Engagement, which refers to two essential stakeholders for the Company, external customers and internal employees; on the one hand, therefore, in support of the business and the 2020-2022 Corporate Strategic Plan, and in line with the need to favor a “customer-centric” approach, a Customer Satisfaction indicator has been reintroduced and, on the other hand, an objective has been set that takes into account staff engagement in achieving business objectives.

For Key Managers with Strategic Responsibilities, the same objectives attributed to the Chief Executive Officer are envisaged, to which a specific function objective is added.

In 2020, the pay-out multiplier factor is increased, linked to the failure to implement corrective actions/remediation plans defined with the Control Functions. Introduced on an experimental basis in 2019 with the aim of strengthening the management’s culture and sensitivity to the Company’s internal control and risk management issues, with a maximum pay-out cut of 2%, in 2020 the multiplier will be able to act up to -5% of the total incentive payout. It applies to Key Managers with Strategic Responsibilities and other managers targeted by the incentive system.

The pay-out scale used to determine the accrual of the target-related bonus is uniform for all recipients:

OBJECTIVE LEVELS	PAY OUT (% Bonus target)
Minimum	50
Target	100
Maximum	150



Linear interpolation is used to determine premiums linked to intermediate achievement levels between the minimum, target and maximum target levels.

For direct reports to Top Management, the pay opportunity to target will be set at a maximum of 50% of the fixed component. For the remaining resources benefiting from the plan, the target pay opportunity values will be set - based on the complexity of the role covered - at a maximum of 30% of the fixed component.

The accrued bonus is fully paid in cash, without deferment, and is subject to a clawback clause.

Finally, in 2020, the possibility is renewed for executives to opt between paying the accrued bonus on a payroll and paying the entire amount - or 50% of it - to the Fontedir supplementary pension fund, thereby benefiting from more favorable tax and contribution treatment.

LONG-TERM VARIABLE REMUNERATION

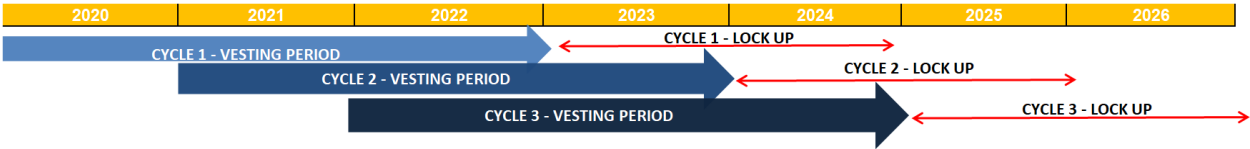
The new Long-Term Incentive plan

As at the Shareholders’ Meeting of April 23, 2020, it is proposed to approve a new Long-Term Incentive Plan, called 2020-2022 LTI, which aims to align long-term incentive policies with strategic planning cycles, highlighting the centrality of remuneration policies in the pursuit of both the business strategy and the Company’s sustainability policies in the medium to long term. The new Plan, in fact, provides for equity, economic and climate-oriented performance indicators.

The approach of the new 2020-2022 LTI Plan and its pay opportunity are intended to respond to the assessments expressed by shareholders and proxy advisors at the 2019 Shareholders’ Meeting.

The new Plan is equity-based and rolling; to strengthen management engagement and increase the attraction and retention capacity of the company., it is aimed at a number of recipients substantially double regarding the Performance Share 2018-2020 Plan. Target recipients are the Chief Executive Officer, the Top Management and a selected segment of TIM Group management. The condition for the allocation of the new Plan for those who have had access to the 2018-2020 LTI Plan will be the waiver of its third and final year (see next paragraph).

The 2020-2022 LTI Plan provides for three allocation cycles, each with three-year vesting and two-year lock up, as indicated below:



The rolling approach of the new plan is consistent with best practices, ensures flexibility to the Company when hiring, contributing to the attractiveness of its offering. The retention effect is stronger than the one-shot plans and develops over a longer time horizon, supporting the company’s long-term sustainability.

Each of the three plan cycles is divided into two parts:

- **Performance Shares:** free allocation of ordinary shares of the Company, the vesting of which is subject to an access gate linked to the value of the share and to two performance conditions of an equity and industrial nature
- **Attraction/Retention component:** free allocation of ordinary shares of the Company, the vesting of which is subject to the continuity of the employment relationship with TIM or TIM Group Companies. This component mainly responds to the need to provide an incentive to attract, in a change management context, resources from external companies that are equipped with them.

For both components, the overall payout will be corrected by a bonus/malus factor linked to a sustainability indicator, which has an environmental impact on the climate.

Allocation for the CEO

For the CEO, and for each Plan cycle, **100%** of the pay opportunity is linked to the **Performance Share** component.

The Performance Share includes an access gate, two performance conditions and a payout correction mechanism:

- Access gate, represented by the value of the share, which at the end of each cycle must be equal to or greater than the value of the share at the start of the cycle (reference is made to the normal value of the share equal to the average of the official closing share prices of the 30 days prior to the start and end of the Plan cycle)
- NFP/EBITDA ratio, with a relative weight of 40%, with threshold level more challenging than the rest of the recipients
- relative performance of the ordinary share compared to a basket of Peers, with a relative weight of 60%. The peers identified are:

BT Group	Swisscom
Deutsche Telekom	Telefonica
ELISA	Telekom Austria
Koninklijke KPN	Telenor
Orange	Telia Company
Proximus	Vodafone

- pay out bonus/malus mechanism of 4%, linked, in equal measure, to the growth in the use of renewable energy as a % of total energy and the reduction of CO2 indirect emissions.

Allocation for Key Managers with Strategic Responsibilities

For Key Managers with Strategic Responsibilities, and for each Plan cycle, **70%** of the pay opportunity is linked to the **Performance Share** component and the remaining **30%** is linked to the **Attraction/Retention component**.

The Performance Share has the same conditions as the CEO, except the NFP/EBITDA threshold level which is more challenging for the CEO.

For both components, the overall payout will be corrected by the bonus/malus factor, described above.

Pay Opportunity Performance Share: for each cycle of the Plan, it is equal to a percentage of the fixed component of remuneration. In particular:

OBJECTIVE LEVELS	PAY OUT CEO (% fixed component)	PAY OUT Key Managers with Strat. Responsibilities (% fixed remuneration)
Minimo	75	50
Target	125	100
Massimo	200	150

The corresponding payout curve, expressed with respect to the bonus provided to target, is as follows:

OBJECTIVE LEVELS	PAY OUT CEO (% target)	PAY OUT Key Managers with Strat. Responsibilities (% target)
Minimo	60	50
Target	100	100
Massimo	160	150

Pay Opportunity Attraction/Retention Component: for each Plan cycle, only a flat ON/OFF payout level (equal to the target) is envisaged, as the vesting of the shares is linked to the maintenance of the employment relationship with TIM S.p.A. or another TIM Group Company at the end of the three-year vesting period.

Holding period: a holding period of 2 years is envisaged for 100% of the shares matured, subject to the sale – on maturity – of a sufficient number of shares to pay taxes (“sell to cover” clause).
The Plan is subject to a clawback clause for all recipients.

For further details, please refer to the specific information document, which can be consulted on the website www.telecomitalia.com.

Performance Share Plan 2018-2020

In 2018, the 2018-2020 Long-Term Plan was launched by allocating Performance Shares.

The objective of the Plan was to create incentives for Beneficiaries upon achievement of Group corporate objectives set out in the 2018-20 industrial plan, bringing the interests of management holding organizational positions that are crucial to the company business into line with the interests of TIM owners in terms of growth in value of the Share over the medium to long term.

The Performance Share Plan provides for the free allocation of Company shares, the vesting of which is subject to the achievement of two performance conditions, defined in line with the main objectives of the 2018-2020 Strategic Plan and for a description of which reference should be made to the 2018 Report on Remuneration document.

In order to avoid in 2020 the overlap between the 2018-2020 Plan and the one described in the previous paragraph and the one soon to be launched, it is expected that participation in the 2020-2022 LTI will be conditional on the waiver of the 2020 portion of the 2018-2020 Performance Share Plan.

SEVERANCE AND NON-COMPETITION PACKAGES

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

For the remaining Key Managers with Strategic Responsibilities, severance payment packages established by law and the National Collective Bargaining Agreement are provided for, with a maximum of 24 additional monthly payments.

It will be the responsibility of the Chief Executive Officer to identify the resources that – due to the importance and strategic nature of the role held – may be recipients of severance treatment, which in each instance may be associated with a non-competition agreement, the contents of which are related to business risk.

CLAWBACK CLAUSE

Since 2016, a contractual clawback mechanism has been in place which allows the recovery of variable remuneration. The clawback clause may be activated in the three years following the payments, in the event that the payment was made as a result of malicious or grossly negligent conduct by the Executives in question, or in the event of an error in the formulation of the data that led to a restatement of the Financial Statements.

THE BENEFITS AND WELFARE AREA

The benefits and welfare area is the non-monetary element of remuneration. In particular:

- **benefits** are assets made available to beneficiaries, depending on the position performed and are aimed at improving their wellbeing (check-ups, loans, mixed-use cars, mobile phones).
- **welfare** is the set of non-monetary services made available to the entire company population regardless of the position held, aimed at increasing the individual and family wellbeing of all employees (personal services, coverage of health expenses, supplementary pensions, insurance policies).

For 2020 the Company confirms the substantial investment in terms of economic resources dedicated to this area.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS AND KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

REMUNERATION OF DIRECTORS

The total annual remuneration of the Board of Directors pursuant to Article 2389, paragraph 1, of the Italian Civil Code was established by the Shareholders' Meeting of May 4, 2018 as a maximum of €2,200,000 gross.

The Board of Directors' meeting of May 16, 2018 allocated this amount by awarding €100,000 gross per year to each Director (excluding the Chairman and the Chief Executive Officer); this is a fixed fee. There is no performance-related remuneration or severance pay.

The following additional remuneration is also paid to the current Directors and Members of the Committees:

Strategic (*) Committee

Salvatore Rossi (P)
Luigi Gubitosi (AD)
Franck Cadoret
Arnaud Roy de Puyfontaine
Rocco Sabelli
Massimo Ferrari

Remuneration:

€25,000 per director (the Chairman of the Board of Directors and the Chief Executive Officer do not receive such remuneration)

(^) From 10 March 2020, the Committee was renamed Sustainability and Strategies Committee and its composition was integrated by the appointment of the Directors Paola Bonomo and Maria Elena Cappello

Control and Risk Committee

Paola Giannotti de Ponti (P)
Massimo Ferrari
Marella Moretti
Lucia Morselli
Michele Valensise

Remuneration:

Members: €45,000
Chairman: €65,000

Nomination and Remuneration Committee

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

Remuneration:

Members: €40,000
Chairman: €60,000

Related Parties Committee

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

Remuneration:

Members: €25,000
Chairman: €40,000

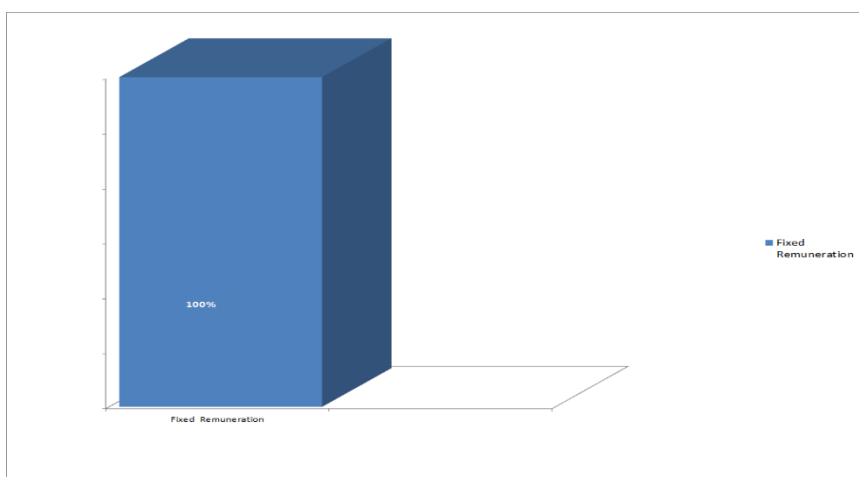
Directors who do not hold particular offices do not receive variable remuneration or benefits but receive reimbursement of any expenses incurred in the performance of their duties.

REMUNERATION OF THE NON-EXECUTIVE CHAIRMAN

The remuneration package awarded to the Chairman consists solely of the fixed component; it should be noted that the variable component consisting of the End of Mandate Indemnity provided for the previous holder of the office has been made obsolete owing to the judgments expressed by the shareholders at the General Meeting of 2019. For the sake of completeness, the following is a description of the Chairman's remuneration package, as determined by the Board of Directors on October 21, 2019:

- **Fixed component**
For the functions of Chairman, the annual gross amount is €600,000. The Chairman is not the recipient of remuneration for the office of Director or for that of a member of the Strategic Committee (pursuant to Article 2389 paragraph 1 of the Italian Civil Code).
- **Variable component**
The Chairman is not entitled to any form of variable remuneration, either short or long term.
- **Severance payment**
There is no severance payment planned.
- **Benefits**
The Chairman is not a recipient of benefits but receives reimbursement of expenses incurred in the performance of his duties, in accordance with the Articles of Association.

The pay mix for 2020 is shown below:



REMUNERATION OF THE CEO

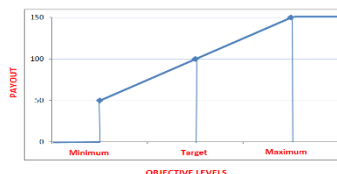
Below is a description of the remuneration package established by the Board of Directors (upon proposal and assent of the Nomination and Remuneration Committee) on November 18, 2018, when Mr. Luigi Gubitosi was hired as General Manager and appointed Chief Executive Officer:

- **Fixed component**
A gross annual amount of €1,400,000 is set for the Chief Executive Officer as fixed remuneration, distributed between the remuneration for the executive employment relationship and the remuneration for the office of CEO, as established by the Board of Directors on November 18, 2018 and thereafter revised on April 1, 2020. The Chief Executive Officer is not the recipient of remuneration for the office of Director or member of the Strategic Committee (pursuant to Article 2389 paragraph 1 of the Italian Civil Code). The fixed component of the Chief Executive Officer's remuneration is to be considered adequate to provide remuneration for the position held in the event that the variable component described below is not paid due to the failure to achieve the performance objectives indicated by the Board of Directors.

- **Short-term variable component**

For each year of his/her term of office, the Chief Executive Officer is awarded a short-term variable component, based on the achievement of the targets set annually by the Board of Directors, corresponding to 100% of his/her fixed remuneration (€1,400,000); a parametric scale is applied that recognizes a bonus equal to 50% of the target in case of reaching the minimum level, up to a bonus equal to 150% of the target in case of reaching the maximum level.

OBJECTIVE LEVELS	PAY OUT (% Bonus target)
Minimum	50
Target	100
Maximum	150



Each target is measured individually, so different combinations of target achievement levels are possible for the appreciation of which the linear interpolation mechanism will be used.

On March 10, 2020, the Board of Directors drew up – at the proposal of the Nomination and Remuneration Committee, and in line with the general architecture – the following incentive objectives for the 2020 MBO:

Objectives	Weight	Min (% tgt)	Tgt	Max (% tgt)
TIM GROUP EBITDA GATE	30%	95%	budget	105%
TIM GROUP EQUITY FREE CASH FLOW	25%	-12%	budget	+12%
TIM GROUP NET FINANCIAL POSITION	15%	+2,5%	budget	-2,5%
TIM GROUP SERVICES REVENUES	10%	-2%	budget	+2%
ESG INDICATOR Employee Engagement (50%) Customer Satisfaction Index (50%)	20%	-3 pp -1,9%	Target Target	+2 pp +1,9%

For 2020, the TIM Group EBITDA gate is confirmed, the achievement of which at a minimum level is a condition for access to the bonus, with the effect that failure to achieve it does not allow the bonus to be paid. The Customer Satisfaction Index is reintroduced as an essential condition of business sustainability, consistent with the need to favor a “customer-centric” approach. Finally, in line with the sustainability policy pursued by the Company, an objective is introduced that takes into account staff engagement.

In the three years following payment of the bonus, the clawback clause may be activated, as per the policy.

- **Long-term variable component**

2020-2022 LTI

The Chief Executive Officer, by virtue of the office held, will be the recipient of the 2020-2022 cycle of the new 2020-2022 rolling LTI Plan, subject to its approval by the Shareholders’ Meeting scheduled for April 23.

The condition for the allocation of the new Plan will be the waiver of the 2020 annual installment of the current 2018-2020 LTI Plan (see next paragraph).

For the general description of the 2020-2022 LTI Plan, please refer to pages 10-11 and 12; for more details on the 2020-2022 Plan, please refer to the information document of the initiative available on the website www.telecomitalia.com.

2018-2020 Performance Share Plan

The Chief Executive Officer is also the recipient of the 2018-2020 Performance Share Plan, for the two-year period 2019-2020, with an annual participation target of 200% of the fixed component.

Please refer to the 2018 Report on Remuneration document for a description of the plan.

- **Severance payment**

As per policy, in the event of termination of the Board of Directors without just cause, an indemnity equal to the remuneration due until the natural expiry of the mandate is paid, with a maximum of 24 months' salary. With respect to the termination of the employment contract, severance pay packages established by law and the National Collective Labor Agreement are provided for, with a maximum of 24 additional months' pay.

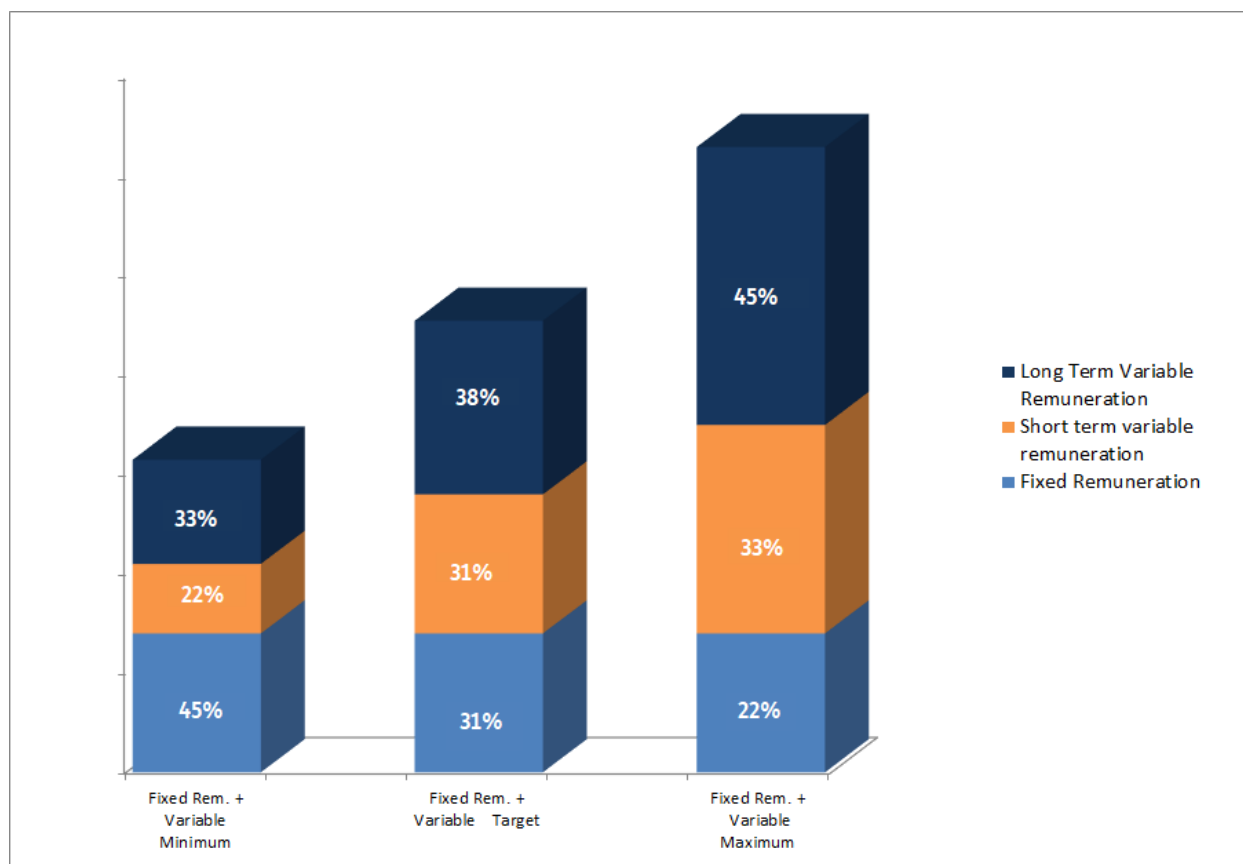
- **Benefits**

In relation to the executive employment relationship, the Chief Executive Officer enjoys the benefits provided for the Company's management (health care coverage through supplementary health care for Telecom Italia Group executives; supplementary pension coverage through membership of the Telecom Italia Group Executives' Supplementary Pension Fund; insurance cover for professional/extra-professional accidents, life and disability due to illness; company car for general use check-ups). The Company is also covered by an "occupational risk policy" for all its Directors & Officers.

- **Pay mix**

The pay mix for 2020 is shown below.

The percentages indicated alternatively assume the disbursement of the minimum, target and maximum value for both the short-term incentive scheme – MBO – and the new 2020-2022 LTI Plan, whose approval is submitted to the Shareholders' Meeting of April 23, 2020. With regard to the 2020-2022 LTI, the first three-year cycle is considered, net of the potential effects of the bonus/malus factor of the payout, and assuming the waiver of the 2020 target bonus for the 2018-2020 LTI.



REMUNERATION OF THE BOARD OF STATUTORY AUDITORS

The Statutory Auditors' remuneration was established by the Shareholders' Meeting of April 24, 2018 for the entire duration of their term of office (2018-2020 financial year) at €135,000 per year gross for the Chairman of the Board of Statutory Auditors and €95,000 per year gross for each Statutory Auditor.

The current statutory auditors are:

Roberto Capone (P)

Giulia De Martino

Anna Doro

Marco Fazzini

Francesco Schiavone Panni

Statutory auditors do not receive variable remuneration or benefits but receive reimbursement of expenses incurred in the performance of their duties.

REMUNERATION OF KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

The following are the names of Key Managers with Strategic Responsibilities in the period 2019-2020:

Directors:	
Luigi Gubitosi	Managing Director and Chief Executive Officer of Telecom Italia S.p.A. General Manager
Managers:	
Lorenzo Forina	Chief Revenue Office ¹
Michele Gamberini	Chief Technology & Information Office ²
Nicola Grassi	Head of Procurement ³
Stefano Grassi	Head of Security ⁴
Pietro Labriola	Presidencia TIM Participacoes ⁵
Giovanni Gionata Massimiliano Moglia	Chief Regulatory Affairs & Wholesale Market Office ⁶
Carlo Nardello	Chief Strategy, Customer Experience & Transformation Office ⁷
Agostino Nuzzolo	Head of Legal and Tax
Federico Rigoni	Chief Revenue Office ⁸
Elisabetta Romano	Chief Innovation & Partnership Office ⁹
Giovanni Ronca	Chief Financial Office ¹⁰
Luciano Sale	Head of Human Resources, Organization & Real Estate ¹¹
Stefano Siragusa	Chief Operations Office ¹²

¹ until February 3, 2020

² from November 12, 2019; previously the function was called "Chief Technology and Innovation Office" and the responsibility was entrusted to Elisabetta Romano

³ from March 16, 2020

⁴ from June 27, 2019

⁵ from April 3, 2019; previously the responsibility was entrusted to Sami Foguel

⁶ from June 27, 2019 until November 11, 2019, the function was called the "Chief Regulatory Affairs Office"

⁷ from March 8, 2019; previously the function was called the "Chief Strategic Development & Transformation Office"

⁸ from February 4, 2020; previously Head of Procurement

⁹ until November 11, 2019 "Chief Technology and Innovation Office" from November 12, 2019 "Chief Innovation & Partnership Office"

¹⁰ from June 3, 2019; previously the responsibility was attributed to P. Peluso

¹¹ from February 5, 2019; until April 29, 2019 the function was called "Human Resources & Organizational Development"

¹² until November 11, 2019 the function was called Chief Wholesale Infrastructures Network & Systems Office.

The structure of the remuneration package for Key Managers with Strategic Responsibilities, excluding the Chief Executive Officer, for 2020 is as follows:

- **Fixed component**
The guideline for 2020 is to keep remuneration in line with market practice, with selective criteria for adjusting fixed remuneration (see page 9).
- **Short-Term Variable Component (MBO)**
The annual incentive plan for 2020, with pay opportunities at targets up to a maximum of 50% of fixed remuneration, is linked to the achievement of a combination of predefined targets:
 - a) business objectives of an economic-financial nature;
 - b) Function objectives
 - c) ESG indicator, consisting of the Customer Satisfaction indicator and the employee engagement target.

The breakdown of objectives is described in the table below:

OBJECTIVES	WEIGHT
TIM GROUP EBITDA (GATE)	30%
TIM GROUP EQUITY FREE CASH FLOW	15%
TIM GROUP NFP	10%
TIM GROUP SERVICES REVENUES	15%
FUNCTION SPECIFIC OBJECTIVE	10%
ESG INDICATOR	20%
•EMPLOYEE ENGAGEMENT (50%)	
•CUSTOMER SATISFACTION INDEX (50%)	

A performance gate is also envisaged for 2020, consisting of the TIM GROUP EBITDA, in which achievement of a minimum level is a condition for access to the entire incentive system

The parametric scale of appreciation of the objectives recognizes a bonus equal to 50% of the target value awarded if the minimum level is reached, up to a bonus equal to 150% of the target value awarded if the maximum target level is reached.

Each objective is measured individually, so different combinations of target achievement levels are possible for the appreciation of which the linear interpolation mechanism will be used.

OBJECTIVE LEVELS	PAY OUT (% Bonus target)
Minimum	50
Target	100
Maximum	150



With regard to this segment of the population, the multiplier factor of the overall payout linked to the failure to implement corrective actions/remediation plans defined with the Control Functions is applied.

It is possible to opt between paying the accrued bonus on a payroll and paying the entire amount - or 50% of it - to the Fontedir supplementary pension fund, thereby benefiting from more favorable tax and contribution treatment.

In the three years following payment, the clawback clause may be activated on the sums disbursed, as per the specific Company Regulations.

- **Long-Term Variable Component**

2020-2022 LTI

These resources are the recipients of the new LTI 2020-2022 rolling Plan, subject to its approval at the Shareholders' Meeting scheduled for April 23.

The condition for the allocation of the new Plan will be the waiver of the 2020 annual installment of the current 2018-2020 LTI Plan.

For the general description of the 2020-2022 LTI Plan, please refer to pages 10-11 and 12; for more details on the 2020-2022 LTI Plan, please refer to the information document of the initiative available on the website www.telecomitalia.com

2018-2020 Performance Share Plan

Key Executives with Strategic Responsibilities were assigned the 2018-2020 Long-Term Plan, with an annual participation target of 75% of the fixed component.

Please refer to the 2018 Report on Remuneration for a description of the plan.

- **Severance and Non-Competition Package**

The treatments applicable under the law and the CCNL are provided for. The additional allowances provided may not exceed 24 months' salary.

It will be the responsibility of the Chief Executive Officer to identify the resources that – due to the importance and strategic nature of the role performed – may be recipients of a severance pay package, which may be associated with a non-competition agreement, if the termination of the employment relationship could entail risks for the Company.

- **Benefits**

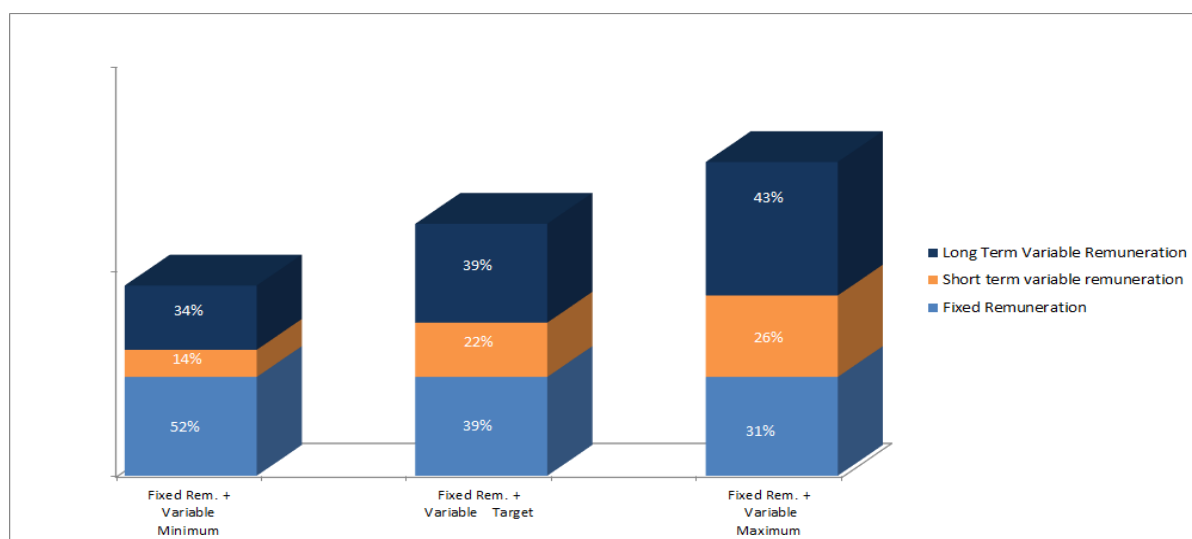
Benefits similar to those provided for the general management of the company are recognized: motor vehicle for mixed-use, insurance policies (occupational accidents, life and disability due to illness), supplementary health cover, supplementary pension fund and check-ups. The Company is also covered by an “occupational risk policy” for all its Directors & Officers.

- **Lump sum**

The adoption of bonuses independent of performance conditions for Managers with Strategic Responsibilities is not envisaged. Exceptionally, the Company may provide, in favor of Key Managers with Strategic Responsibilities, for the possibility of making lump sum payments during the hiring phase in order to favor the acquisition of resources with specific skills considered essential for the achievement of the strategic business objectives and who have accrued the right to specific deferred remuneration from their Company of origin.

- **Pay mix**

The pay mix for 2020 is shown below. The percentages indicated alternatively assume the disbursement of the minimum, target and maximum value for both the short-term incentive scheme – MBO – and the new 2020-2022 LTI Plan, whose approval is submitted to the Shareholders' Meeting of April 23, 2020. With regard to the 2020-2022 LTI, the first three-year cycle is considered, net of the potential effects of the multiplication/demultiplication factor of the payout, and assuming the waiver of the 2020 target bonus for the 2018-2020 LTI.



Consistent with the recommendations of Borsa Italiana, the following are the incentive mechanisms for the Heads of the Control Departments reporting directly to the Board and the person responsible for preparing the company's financial reports:

- Heads of Control Functions reporting to the Board of Directors - Incentive mechanisms
The heads of the Control Functions (Audit, Compliance, IT & Security Compliance) are recipients of the Short-Term Variable Incentive System (with pay opportunities at a target set at 35% of fixed remuneration). Performance gate, parametric scale of appreciation of targets and payout curve are similar to what described for Key Managers with Strategic Responsibilities.
The objectives other than the performance gate, for a total weight of 70%, are linked to the role performed and are proposed by the Control and Risk Committee and approved by the Board of Directors.
The Heads of the Control Functions are also recipients of the long-term plans described above.
- Manager responsible for preparing the corporate financial reports
With regard to the manager responsible for preparing the corporate financial reports, the incentive mechanisms are those adopted for all Key Managers with Strategic Responsibilities, as illustrated above.

SECTION II - IMPLEMENTATION OF REMUNERATION POLICIES AND REMUNERATION PAID IN 2019

This section describes the remuneration measures for members of the Board of Directors and Key Managers with Strategic Responsibilities in 2019.

MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS

The remuneration measures of the current Directors and Statutory Auditors are reported in the first section of the Report on Remuneration Policy and Remuneration paid.

The analytical details of the remuneration, by name, received by the Directors and Statutory Auditors are shown in Table 1 of the second part of this section.

CHAIRMAN (Fulvio Conti)

January 1 – September 26, 2019

The office of Chairman was held from January 1 and until September 26, 2019 by Fulvio Conti.

During the Board of Directors' meeting held on September 26, 2019, Chairman Fulvio Conti resigned from his position as Chairman of the Board of Directors and Director of the Company, effective from the end of the meeting.

At the time, his remuneration was determined as follows:

- Fixed annual fee of €600,000 gross per year. The Chairman was not the recipient of remuneration for the office of Director or member of the Strategic Committee (pursuant to Article 2389 paragraph 1 of the Italian Civil Code).
- end of mandate indemnity with a maximum *pay opportunity* of €400,000 gross overall, conditional (on/off) on the evaluation of the Chairman's effectiveness of not less than 4/5 for 2019 and 2020, as ascertained during the annual Board review.
- no *benefits* (only reimbursement of expenses incurred for the office, as per the Articles of Association), no *clawback*, no *severance* payment.

On termination of office, the Chairman was awarded only a fixed emolument until the end of his term of office. No remuneration has been recognized for end of mandate indemnity, and other agreements have been entered into with the allocation of non-monetary benefits.

The analytical detail of the remuneration received is shown in Table 1 in the second part of this section.

CHAIRMAN (Salvatore Rossi)

October 21 - December 31, 2019

The Board of Directors of TIM, which met on October 21, 2019, co-opted Professor Salvatore Rossi, appointing him Chairman of the Board of Directors of the Company, without conferring powers. In the meeting of November 7, 2019, with effect from his appointment, the Board of Directors, awarded him the following package:

- Fixed annual fee of €600,000 gross per year. The Chairman will not be the recipient of remuneration for the office of Director or member of the Strategic Committee (pursuant to Article 2389 paragraph 1 of the Italian Civil Code).
- no form of incentive;
- no end of mandate indemnity, no *benefits* (only reimbursement of expenses incurred for the office, as per the Articles of Association), no *clawback*, no *severance* payment.

The analytical detail of the remuneration received is shown in Table 1 in the second part of this section.

CHIEF EXECUTIVE OFFICER (Luigi Gubitosi)

During the period, the gross remuneration in relation to the employment relationship, for the activity of General Manager, was equal to €1,000,000 gross on an annual basis, while a fixed amount of €400,000 gross on an annual basis (excluding the emolument pursuant to Article 2389, first paragraph, of the Italian Civil Code for the office of Chief Executive Officer) was paid as remuneration for the office of Director and the remuneration for participation in the Strategic Committee. In addition, again by way of remuneration pursuant to Article 2389, paragraph 3, he was awarded an MBO, with a target amount of €1,400,000 gross from the 2019 financial year.

The table below details the degree of achievement of the objectives for the MBO 2019 short-term variable component compared with the assigned references.

Amounts in € million		LEVEL OF 2019 OBJECTIVES					
OBJECTIVE	WEIGHTING	Min Payout 50%	Target Payout 100%	Max Payout 150%	Closing 2019	% of achievement	Score Weighted
TIM GROUP EBITDA GATE	30%	7,248	7,629	8,011	7,560	90,94%	27,28%
TIM Group Operating Free Cash Flow	30%	2,222	2,525	2,828	3,096	150%	45,00%
TIM Group Services Revenues Excl. TIM & Sparkle Voice Test	15%	16,311	16,644	16,977	16,321	51,50%	7,73%
TIM Group Net Financial Position Adjusted	15%	25,167	24,553	23,939	23,839	150%	22,50%
Project to maximize the value of TIM's fixed network infrastructure	10%	Evaluation of the progress milestones of the Project by the Board of Directors				100%	10,00%
							112,51%

Based on the percentage of achievement shown above, the Chief Executive Officer earned a bonus for the short-term variable component in the amount of € 1,575,140.00 gross.

With regard to the 2018-2020 Long-Term Incentive Plan, for the two-year period 2019-2020, Mr. Gubitosi is entitled to receive 10,980,392 TIM S.p.A. ordinary shares free of charge at target level. Depending on the degree of achievement of the performance targets for the three-year period 2018-2020, this number may decrease or increase to a maximum of 19,215,686 shares.

KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

The fixed compensation of Key Managers with Strategic Responsibilities consists of the gross annual remuneration related to the employment relationship.

Key Managers with Strategic Responsibilities also receive a variable short-term MBO component whose first four performance targets are the same as those assigned to the Chief Executive Officer, with different weights, in line with the 2019 remuneration policy.

The objectives assigned are set out below.

For a comparison between the objectives achieved and those envisaged, reference can be made to the Chief Executive Officer's previous table.

OBJECTIVE	WEIGHTING	Min Payout 50%	Target Payout 100%	Max Payout 150%
TIM Group EBITDA GATE ⁽¹⁾	30%	7,248	7,629	8,011
TIM Group Operating Free Cash Flow	20%	2,222	2,525	2,828
TIM Group Services Revenues Excl. TIM & Sparkle Voice Test	20%	16,311	16,644	16,977
TIM Group Net Financial Position Adjusted	10%	25,167	24,553	23,939
<i>Strategic Objectives</i>	20%			

The table below shows the average pay out value for the short-term variable component MBO 2019 of Key Managers with Strategic Responsibilities compared with the average values of those who had the same qualification in previous years.

	2019	2018	2017	2016	2015	2014	2013	2012
Average Payout	102%	*	107%	95%	90%	92%	54%	32%

(*) In view of the failure to reach the TIM Group EBITDA target at the minimum level (95% of the budget target), as a condition of access to all other targets, the entire MBO measure for the 2018 financial year has been canceled.

It should also be noted that, during 2019,

- ✓ the company, in its 2019 *salary review*, did not recognize a *one-off ex-post* award to Key Managers with Strategic Responsibilities;
- ✓ the Company has exceptionally provided for the possibility with some Key Managers with Strategic Responsibilities of making lump sum payments during the hiring phase in order to favor the acquisition of resources with specific skills considered essential for the achievement of the strategic business objectives and who have accrued the right to specific deferred remuneration from their Company of origin;
- ✓ the company granted corporate benefits to Key Managers with Strategic Responsibilities in accordance with the first part of the Report on Remuneration Policy and remuneration paid.

With regard to the effects of termination of employment on the rights assigned under the incentive plans, which are set out below, the terms and conditions set out in the relevant Regulations on the site were applied www.telecomitalia.com.

An analytical breakdown of the remuneration received by Key Managers with Strategic Responsibilities in 2019 is provided in Table 1 in the second part of this section.

2014-2016 Stock Option Plan

At December 31, 2019, 462,112 options (valid until 24/3/2020) were exercisable by Key Managers with Strategic Responsibilities for the subscription of the same number of ordinary TIM shares, as detailed in Table 2 in the second part of this section.

Special Award 2016

As at December 31, 2019, Key Managers with Strategic Responsibilities were recipients of bonuses for a total value of €250,000 (represented for €200,000 by 256,410 ordinary shares of TIM S.p.A.), as detailed in Tables 3A and 3B in the second part of this section.

The payment of the bonus, in both cash and in shares, will take place, subject to the provisions of the Plan Regulations, following the Board approval of the 2019 financial statements documents (2020 financial year).

2018-2020 Long-Term Incentive

With reference to the 2018-2020 Long-Term Incentive Plan, the Key Managers with Strategic Responsibilities in force at December 31, 2019 are entitled to receive 12,270,497 free ordinary TIM shares at target level. Depending on the degree of achievement of the performance targets for the three-year period 2018-2020, this number was likely to decrease or increase to a maximum of 18,405,744 shares. In addition, the right to receive 221,638 ordinary shares of Tim Participações S.A. free of charge at target level has been granted.

The analytical detail of the plans is provided in the incentive plan tables in the second part of this section.

DIRECTOR (Amos Genish)

On June 27, 2019, Mr Amos Genish resigned from the office of Director.

His resignation followed a settlement agreement with the former Chief Executive Officer and General Manager of the Company (offices revoked on November 13, 2018). In consideration of the reciprocal renunciation of any reciprocal claim or dispute in relation to the employment relationship already existing between the parties (without prejudice to TIM's right of clawback) and, limited to Mr. Genish, in relation to his directorial relationship with the Company, TIM has granted Mr. Genish the lump sum of €4,200,000.

No agreements were reached providing for the allocation or maintenance of non-monetary benefits following the termination of Mr. Amos Genish's office or the maintenance of other rights against the Company.

The analytical detail of the remuneration is shown in Table 1 in the second part of this section.

REMUNERATION PAID IN 2019

TABLE 1: REMUNERATION PAID TO MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS AND TO KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

The following table shows the remuneration due to all the persons who, during 2019, were members of the Board of Directors and Statutory Auditors or Key Managers with Strategic Responsibilities, even for a fraction of the period (for the latter case the figure is shown in aggregate form).

Board of Directors

(Amounts in thousands of EUR)

Note	A Given Name and Surname	B Office	C Period for which the office was held (dd.mm)	D Term of the office (mm.yy)	3 Variable remuneration non-equity					6 TOTAL	7 Fair value of remunerations equity	8 Termination of office indemnity or severance payment	
					1 Fixed remuneration	2 Remuneration for participation in commitments	Bonuses and other incentives	Profit sharing	4 Non-monetary benefits				5 Other remuneration
1	Salvatore Rossi	Chairman	21.10 31.12	12.20	119						119		
2	Fulvio Conti	Chairman	01.01 26.09	12.20	444						444		
3	Luigi Gubitosi	CEO General Manager	01.01 31.12	12.20	1,397		1,575		14		2,986	975	
4	Afredo Altavilla	Director	01.01 31.12	12.20	100	60					160		
5	Paola Bonomo	Director	01.01 31.12	12.20	100	40					140		
6	Franck Cadoret	Director	27.06 31.12	12.20	51	10					61		
7	Giuseppina Capaldo	Director	01.01 31.12	12.20	100	65					165		
8	Maria Elena Cappello	Director	01.01 31.12	12.20	100	25					125		
9	Arnaud Roy de Puyfontaine	Director	01.01 31.12	12.20	100	25					125		
10	Massimo Ferrari	Director	01.01 31.12	12.20	100	70					170		
11	Amos Genish	Director	01.01 26.06	12.20	49						49	4,200	
12	Paola Giannotti	Director	01.01 31.12	12.20	100	65					165		
13	Marella Moretti	Director	01.01 31.12	12.20	100	70					170		
14	Lucia Morselli	Director	01.01 31.12	12.20	100	85					185		
15	Dante Roscini	Director	01.01 31.12	12.20	100	25					125		
16	Rocco Sabelli	Director	01.01 31.12	12.20	100	65					165		
17	Michele Valensise	Director	01.01 31.12	12.20	100	85					185		
Total Board of Directors (a)					3,260	690	1,575		14		5,539	975	4,200

Board of Statutory Auditors

(Amounts in thousands of EUR)

Note	A Given Name and Surname:	B Office	C Period for which the office was held (dd.mm)	D Term of the office (mm.yy)	Variable remuneration non-equity					6 TOTAL	7 Fair value of remunerations equity	8 Termination of office indemnity or severance payment
					1 Fixed remuneration	2 Remuneration for participation in committees	3 Bonuses and other incentives	4 Profit sharing	5 Non-monetary benefits			
18	Roberto Capone	Chairman	01.01 31.12	12.20	135					135		
19	Giulia De Martino	Statutory Auditor	01.01 31.12	12.20	95					95		
20	Anna Doro	Statutory Auditor	01.01 31.12	12.20	95					95		
21	Marco Fazzini	Statutory Auditor	01.01 31.12	12.20	95					95		
22	Francesco Schiavone Panni	Statutory Auditor	01.01 31.12	12.20	95					95		
Total Board of Statutory Auditors (b)					515					515		

Key Managers with Strategic Responsibilities ⁽¹⁾

(Amounts in thousands of EUR)

Note	A Given Name and Surname:	B Office	C Period for which the office was held (dd.mm)	D Term of the office (mm.yy)	Variable remuneration non-equity					6 TOTAL	7 Fair value of remunerations equity	8 Termination of office indemnity or severance payment	
					1 Fixed remuneration	2 Remuneration for participation in committees	3 Bonuses and other incentives	4 Profit sharing	5 Non-monetary benefits				
Remuneration in the company that prepares the financial statements					4,581		2,790		178	6	7,555	1,246	4,599
Remuneration by subsidiaries					571 (2)		479 (3)			115	1,165	125	974
Total Key Managers with Strategic Responsibilities (c)					5,152		3,269		178	121	8,720	1,371	5,573
TOTAL OF REMUNERATIONS PAID (a+b+c)					8,927	690	4,844		192	121	14,774	2,346	9,773

(1) Remuneration refers to those who, during 2019, held the position of Key Manager with Strategic Responsibilities (18 executives), even for a fraction of the period.

(2) The amount refers to what is recognized for local employment contracts. The fees were converted at the average exchange rate of 2019 at 31/03/2019 (Real/€ 4.27983) and 31/12/2019 (Real/€ 4.41422).

(3) The amount refers to local bonuses of 1,020,000 Real converted into EUR at the average exchange rate of 2019 on 31/03/2019 (Real/€ 4.27983) and 1,139,184 Real converted into EUR at the average exchange rate of 2020 on 29/02/2020 (Real/€ 4,73342).

- 1 **Salvatore Rossi - Chairman**
 - col. 1 The amount refers to the fixed remuneration pursuant to Article 2389, paragraph 3 of the Italian Civil Code received for the position of Chairman for the period 21/10 – 31/12/2019. The Chairman is not a recipient of remuneration for the office of Board Director or member of the Strategic Committee (pursuant to Article 2389 paragraph 1 of the Italian Civil Code).
- 2 **Fulvio Conti - Chairman**
 - col. 1 The amount refers to the fixed remuneration pursuant to Article 2389, paragraph 3 of the Italian Civil Code received for the position of Chairman for the period 01/01 – 26/09/2019. The Chairman was not the recipient of remuneration for the office of Director or member of the Strategic Committee (pursuant to Article 2389 paragraph 1 of the Italian Civil Code).
- 3 **Luigi Gubitosi - Chief Executive Officer and General Manager**
 - col. 1 The amount includes the remuneration of employees (€997,000) for the position of General Manager as well as the fixed remuneration pursuant to Article 2389 paragraph 3 of the Italian Civil Code (€400,000) for the position of Chief Executive Officer. The Chief Executive Officer is not a recipient of remuneration for the office of Board Director or member of the Strategic Committee (pursuant to Article 2389 paragraph 1 of the Italian Civil Code).
 - col. 3 The amount recognized pursuant to Article 2389, paragraph 3 of the Italian Civil Code, refers to the “bonus” pertaining to the year for objectives achieved during the year.
 - col. 7 The amount refers to equity-based remuneration, the incentive plan based on financial instruments, recognized in the financial statements and estimated in accordance with international accounting standards.
- 4 **Alfredo Altavilla – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Nominations and Remuneration Committee (€40,000) and Chairman of the Nomination and Remuneration Committee (€20,000).
- 5 **Paola Bonomo – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Nomination and Remuneration Committee.
- 6 **Franck Cadoret – Director**
 - col. 1 The amount refers to the remuneration received as Director for the period 27/06 – 31/12/2019;
 - col. 2 The amount refers to the remuneration received as Director for the period 01/08 – 31/12/2019;
- 7 **Giuseppina Capaldo – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Related Parties Committee (€25,000) and as a member of the Nomination and Remuneration Committee (€40,000).
- 8 **Maria Elena Cappello – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Related Parties Committee.
- 9 **Arnaud Roy de Puyfontaine – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Strategic Committee.
- 10 **Massimo Ferrari – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Strategic Committee (€25,000) and as a member of the Control and Risk Committee (€45,000).
- 11 **Amos Genish – Director**
 - col. 1 The amount refers to the remuneration received as Director for the period 01/01 – 26/06/2019;
 - col. 8 The amount refers to the settlement agreement which provided for the reciprocal waiver of any reciprocal claim or dispute in relation to the employment relationship and in relation to the administration relationship with the Company previously existing between the parties.
- 12 **Paola Giannotti – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Control and Risk Committee (€45,000) and as a Chairman of the Control and Risk Committee (€20,000).
- 13 **Marella Moretti – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Control and Risk Committee (€45,000) and as a member of the Related Parties Committee (€25,000).
- 14 **Lucia Morselli – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Related Parties Committee (€25,000), Chairman of the Related Parties Committee (€15,000) and member of the Control and Risk Committee for the period (€45,000).
- 15 **Dante Roscini – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Related Parties Committee.
- 16 **Rocco Sabelli – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Strategic Committee (€25,000) and as a member of the Nomination and Remuneration Committee (€40,000).
- 17 **Michele Valensise – Director**
 - col. 1 The amount refers to remuneration received as a member of the Board of Directors;
 - col. 2 The amount refers to remuneration received as a member of the Nomination and Remuneration Committee (€40,000) and as a member of the Control and Risk Committee (€45,000).

- 18 **Roberto Capone – Chairman**
col. 1 The amount refers to remuneration received as Chairman of the Board of Statutory Auditors;
- 19 **Giulia De Martino – Statutory Auditor**
col. 1 The amount refers to remuneration received as a Statutory Auditor;
- 20 **Anna Doro – Statutory Auditor**
col. 1 The amount refers to remuneration received as a Statutory Auditor;
- 21 **Marco Fazzini – Statutory Auditor**
col. 1 The amount refers to remuneration received as a Statutory Auditor;
- 22 **Francesco Schiavone Panni – Statutory Auditor**
col. 1 The amount refers to remuneration received as a Statutory Auditor;

TABLE 2: STOCK OPTIONS ALLOCATED TO MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS AND TO KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

Date: 12/31/2019

		In companies that prepare financial statements		In subsidiaries and associated companies	TOTAL
Given Name and Surname:	A				
Office	B	Chief Executive Officer	Key Managers with Strategic Responsibilities	Key Managers with Strategic Responsibilities	
Plan and related resolution	1		Stock Option Plan 2014-2016 04/16/14		
Options held at the beginning of the year	2	Number of options	1,077,126		1,077,126
	3	Exercise price	€0.94 €1.01 €1.15		
	4	Possible period of exercise (from/to)	2017/2020		
Options allocated during the year	5	Number of options			
	6	Exercise price			
	7	Possible period of exercise (from/to)			
	8	Fair value at grant date			
	9	Grant date			
10	Market price of the options underlying the allocation of options				
Options exercised during the period	11	Number of options			
	12	Exercise price			
	13	Market price of the underlying options on the exercise date			
Options expired during the period	14	Number of options	615,014 (1)		615,014
Options held at the end of the year	15	(15)=(2)+(5)-(11)-(14)	462,112		462,112
Options pertaining to the period	16	Fair value			

(1) Balance between options held at the time of termination and those held at the time of entry/exit in the category of Key Managers with Strategic Responsibilities

TABLE 3A: INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS OTHER THAN STOCK OPTIONS, IN FAVOR OF MEMBERS OF THE BOARD OF DIRECTORS AND KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

Date: 12/31/2019

		In companies that prepare financial statements			In subsidiaries and associated companies	
Given Name and Surname:	A	Luigi Gubitosi				
Office	B	Chief Executive Officer	Key Managers with Strategic Responsibilities			TOTAL
Plan and related resolution	1	Long-Term Incentive 2018-2020	Special Award 2016 yearly amount	Long-Term Incentive 2018-2020	Long-Term Incentive 2018-2020	
Financial instruments assigned in previous years not vested during the year	2	Number and type of financial instruments	19,215,686 <i>Performance Shares</i>	Right to free allocation of ordinary Tim shares with a value equal to 80% of the maximum bonus of 15,000,000	20,035,707 <i>Performance Shares</i>	39,251,393
	3	Vesting period	2019-2020	2016 financial year	2018-2020	
Financial instruments assigned during the year	4	Number and type of financial instruments			221,638	221,638
	5	Fair value at grant date				
	6	Vesting period			3 years	
	7	Grant date			07/30/19	
	8	Market price at allocation			R\$ 11.2797	
Financial instruments vested during the year and not allocated	9	Number and type of financial instruments			1,629,963 (1)	1,629,963
Financial instruments vested during the year and attributed	10	Number and type of financial instruments	19,215,686		18,405,744	37,843,068
	11	Value at vesting date				
Financial instruments pertaining to the year	12	Fair value	€974,784		€1,245,606	€2,344,935

(1) Balance between the number of shares held at the time of termination and those held at the time of entry/exit in the category of Key Managers with Strategic Responsibilities.

TABLE 3B: MONETARY INCENTIVE PLANS FOR MEMBERS OF THE BOARD OF DIRECTORS

(Amounts in thousands of EUR)

A	B	1	2			3		4
Given Name and Surname:	Office	Plan	Bonus for the year			Bonus in prior years		Other Bonuses
			(a)	(b)	(c)	(a)	(b)	(c)
			Payable/ Paid	Deferred	Deferral period	No longer payable	Payable/ Paid	Still deferred
Luigi Gubitosi	Chief Executive Officer	MBO 2019 Board of Directors' resolution 02/21/2019	1,575					
Remuneration in the company that prepares the financial statements			1,575					
Remuneration in subsidiaries and associated companies								
TOTAL			1,575					

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

(Amounts in thousands of EUR)

A	B	1	2			3		4	
Given Name and Surname:	Office	Plan	Bonus for the year			Bonus in prior 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 that prepares the financial statements		MBO 2019 06/18/2019 07/04/2019	2,638						
		Special Award 2016 06/20/2017				150 ⁽¹⁾		50	
								152	
Remuneration in subsidiaries and associated companies		MBO 2019 05/29/2019	241 ⁽²⁾						
								238 ⁽³⁾	
TOTAL			2,879			150		50	390

(1) The amount refers to exits from the category of Key Executives with Strategic Responsibility.

(2) The amount refers to the local bonus pertaining to the year - for objectives achieved during the year - of R\$1,139,184 converted into EUR at the average exchange rate of 2020 at 29/02/2020 (R\$/€ 4.73342).

(3) The amount was converted into euros at the average exchange rate of 2019 on 31/03/2019 (R\$/€ 4.27983)

SCHEDULE NO. 7-TER SCHEDULE RELATING TO INFORMATION ON THE SHAREHOLDINGS OF MEMBERS OF THE BOARD OF DIRECTORS AND CONTROL BODIES AND KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

The table below shows the equity investments held by all the persons who, during 2019, held, even for a fraction of the period, the position of member of the Board of Directors, member of the Board of Statutory Auditors or Key Manager with Strategic Responsibilities (for the latter case the figure is shown in aggregate form).

Given Name and Surname:	Office	Investee company	Share category	Number of shares held at the end of the previous year (or at the date of appointment)	Number of shares purchased during the year	Number of shares sold during the year	Number of shares held at the end of the year (or at the date of termination of office if earlier)
Board of Directors							
Salvatore Rossi	Chairman						
Luigi Gubitosi	Chief Executive Officer	TIM S.p.A.	Ordinary shares	1,000,000			1,000,000
Alfredo Altavilla	Director						
Paola Bonomo	Director						
Franck Cadoret	Director	TIM S.p.A.	Ordinary shares		10,000		10,000
Giuseppina Capaldo	Director						
Maria Elena Cappello	Director						
Massimo Ferrari	Director	TIM S.p.A. TIM S.p.A.	Ordinary shares Savings shares	90,000 46,000			90,000 46,000
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 shares	30,000			30,000
Fulvio Conti	Chairman	TIM S.p.A.	Ordinary shares	12,503	225,000		237,503 (*)
Amos Genish	Director						
Board of Statutory Auditors							
Roberto Capone	Chairman						
Giulia De Martino	Statutory Auditor						
Anna Doro	Statutory Auditor						
Marco Fazzini	Statutory Auditor						
Francesco Schiavone Panni	Statutory Auditor						
Key Managers with Strategic Responsibilities							
18		Telecom Italia S.p.A. Tim Participacoes	Ordinary shares Ordinary shares (**)	385,176 9,800	284,000	340,000	329,176 9,800

(*) Of which 12,500 shares are held by the spouse who is not legally separated.

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

APPENDIX - TABLES OF REMUNERATION PLANS

REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS
TABLE NO. 1 OF SCHEDULE 7 OF ATTACHMENT 3A TO REGULATION NO 12071/2099

Date: 12/31/2019

		FRAMEWORK 1						
		Financial instruments other than stock options						
		Section 1						
		Instruments relating to plans, currently valid, approved on the basis of previous Shareholders' Meeting resolutions						
Name or category	Office	Date of the shareholders' resolution	Types of financial instruments	Number of financial instruments granted	Grant date	Possible purchase price of the instruments	Market price on grant date	Vesting period
Luigi Gubitosi	CEO	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	18,405,744	07/24/2018	N.A.	€0.608	2018/2020
		04/19/2018	Performance Share	221,638	07/30/2019	N.A.	RS 11.2797	2018/2020
Key Managers with Strategic Responsibilities		Special Award 2016 yearly amount 05/25/16	Rights to free allocation of Tim ordinary shares in a number equal to the over performance for the year	Equivalent to 80% of the maximum bonus of €15,000,000	06/19/2017	N.A.	€0.836	2016 financial year (1)

- (1) The allocation of the shares will take place, without prejudice to the provisions of the Plan Regulations, following the Board approval of the 2019 financial statements (2020 financial year).

Date: 12/31/2019

		FRAMEWORK 2							
		Stock Option							
		Section 1							
		Options relating to plans, currently valid, approved on the basis of previous Shareholders' Meeting resolutions							
Name or category	Office	Date of the shareholder's resolution	Description of instrument	Options held	Options exercised	Grant date	Exercise price	Market price of the underlying shares as at the grant date	Period of possible exercise (from-to)
Key Managers with Strategic Responsibilities		SOP 2014-2016 04/16/14	Options to subscribe ordinary shares Tim subject to the achievement of three-year performance targets	462,112		06/26/2014	€0.94	€0.93	2017-2020
Other Telecom Italia Group Executives		SOP 2014-2016 04/16/14	Options to subscribe ordinary shares Tim subject to the achievement of three-year performance targets	13,035,294		06/26/2014	€0.94	€0.93	2017-2020
				343,069		03/02/2015	€1.01	€1.08	2017-2020
				133,042		04/01/2016	€1.15	€1.127	2017-2020

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