

ILLUSTRATIVE REPORT PREPARED BY VIVENDI S.A. PURSUANT TO ART. 125-*TER*, PARAGRAPH 3, OF THE LEGISLATIVE DECREE 24 FEBRUARY 1998 NO. 58

Dear Shareholders,

this report is prepared by Vivendi S.A. (“**Vivendi**”), pursuant to art. 125-*ter*, paragraph 3, of the Legislative Decree dated 24 February 1998 No. 58 (“**TUF**”), in order to illustrate its request, made on 14 December 2018, pursuant to Article 2367 of the Italian Civil Code, to call an Ordinary Meeting of the shareholders of Telecom Italia S.p.A. (the “**Company**” or “**TIM**”) to discuss and resolve on the following items:

1. *Appointment of the external auditors for the period 2019–2027;*
2. *Revocation of no. 5 (five) Directors in the persons of Messrs. Fulvio Conti, Alfredo Altavilla, Massimo Ferrari, Dante Roscini and Ms. Paola Giannotti De Ponti;*
3. *Appointment of no. 5 (five) Directors in the persons of Mr. Franco Bernabè, Mr. Rob van der Valk, Ms. Flavia Mazzarella, Mr. Gabriele Galateri di Genola and Mr. Francesco Vatalaro, in replacement of the revoked directors pursuant to the previous item on the agenda.*

Please find here below an illustration of the proposals submitted by Vivendi in relation to the aforesaid items and of the relevant motivations.

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**Item No. 1 on the agenda:**

**1. Appointment of the external auditors for the period 2019–2027.**

As known, the mandate of the external auditors for the period 2010–2018, granted on 29 April 2010 by the TIM Shareholders' Meeting to the audit firm PwC S.p.A. will expire with the issuance of the audit report on the separate financial statements and the consolidated financial statements of TIM as at 31 December 2018.

According to the indications provided under the “*Guidelines for the granting of the offices to the external auditor*” of TIM, Part I – Selection process of the Single Auditor of the Group (2017 edition), the audit function for the TIM Group includes:

- the legal audit of the consolidated financial statements and the separate financial statements of the Company;
- the limited auditing of the shortened half-yearly consolidated financial statements of the Group;
- the auditing of the consolidated financial statements of the Group included in Form 20-F drafted in compliance with the provisions set forth under the US Securities Laws;
- the review of the internal controls concerning the drafting process of the consolidated financial statements of the Group pursuant to Section 404 of the Sarbanes – Oxley Act;
- the control upon the occurred drafting and certification on the compliance of the non-financial consolidated statements, pursuant to the Legislative Decree no. 254/2016.

The Board of Statutory Auditors has pointed out that “*starting the process well before the expiry of PwC’s mandate was indispensable to respect the principles of independence*” and, in particular, to comply with the prohibition, contained in the reference law, to receive from the auditors services of “*design and delivery of internal control and risk management procedures relating to the preparation and/or control of financial reporting, or the design and delivery of technology systems for financial reporting*”<sup>(1)</sup>. Such activities are, as a matter of fact, included in the “*prohibited non-audit services*” which, pursuant to Article 5 of the

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<sup>1</sup> Recommendation of the Board of Statutory Auditors of TIM S.p.A. dated 26 February 2018 for the granting of the office of the external auditors for the nine-year period 2019 – 2027.

European Regulation no. 537/2014, the auditor cannot have performed in the financial year immediately preceding the start of the period subject to audit.

Absent a timely call of the Shareholders' Meeting, TIM would suffer a serious damage as, starting from 1<sup>st</sup> January 2019, it could be prevented from granting "*prohibited non-audit services*" to any of the potential candidates to the role of external auditor of the Company.

Indeed, as of today, the Board of Directors has not yet resolved to convene a Shareholders' Meeting for the appointment of the external auditor for 2019 - 2027, despite the formal recommendation expressed by the Board of Statutory Auditors pursuant to applicable law. According to the press, the matter was discussed at the meetings of the Board of Directors held on 8 November 2018 and 6 December 2018 <sup>(2)</sup>. Nevertheless, TIM has not provided any information to its shareholders and to the market on the proposals of the Board of Statutory Auditors and on the position of the Board of Directors which - based on press news - would have resolved to delay any decision to the next meeting scheduled on 17 January 2019.

In light of the foregoing, Vivendi hereby requests the Board of Directors to make immediately available to the shareholders the documentation containing the recommendation of the Board of Statutory Auditors and to convene the ordinary Shareholders' Meeting in order to resolve, as soon as possible, on the appointment of the external auditors for 2019 - 2027, as required by applicable law provisions.

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<sup>2</sup> La Repubblica, 7 November 2018; ANSA, 6 December 2018; Corriere della Sera, 7 December 2018, Il Giornale, 7 December 2018; Il Messaggero, 7 December 2018.

Items No. 2 and 3 on the agenda:

2. **Revocation of no. 5 (five) Directors in the persons of Messrs. Fulvio Conti, Alfredo Altavilla, Massimo Ferrari, Dante Roscini and Ms. Paola Giannotti De Ponti;**
3. **Appointment of no. 5 (five) Directors in the persons of Mr. Franco Bernabè, Mr. Rob van der Valk, Ms. Flavia Mazzarella, Mr. Gabriele Galateri di Genola and Mr. Francesco Vatalaro, in replacement of the revoked directors pursuant to the previous item on the agenda.**

The current Board of Directors of the Company, appointed by the Shareholders' Meeting held on 4 May 2018, is composed of fifteen members and will remain in office until the approval of the financial statements as at 31 December 2020.

Ten members of the Board of Directors were selected from the slate submitted by the shareholders Elliott International LP, Elliott Associates LP and The Liverpool Limited Partnership (jointly, "Elliott"): Fulvio Conti (appointed as Chairman of the Board of Directors on 7 May 2018), Luigi Gubitosi (appointed as Chief Executive Officer on 18 November 2018), Alfredo Altavilla, Massimo Ferrari, Paola Giannotti de Ponti, Paola Bonomo, Maria Elena Cappello, Lucia Morselli, Dante Roscini and Rocco Sabelli (the "Elliott Candidates").

The remaining five members of the Board of Directors were selected from the slate submitted by Vivendi: Amos Genish (confirmed as Chief Executive Officer starting from May 2018 until 13 November 2018, date of revocation of his powers by a majority vote of the Board of Directors), Arnaud Roy de Puyfontaine, Marella Moretti, Michele Valensise and Giuseppina Capaldo.

***(a) Leadership and strategic plan of the Company***

As known, Elliott is a hedge fund that makes its investments for financial – as opposed to strategic – purposes, with the aim of achieving high returns in the short term (while protecting itself from downside risks of such approach through derivative instruments as it will be pointed out hereinafter).

In the context of the campaign promoted to support its slate, Elliott vehemently criticized the management of the Company by the board of directors then in office, levying a number

of accusations on TIM's governance <sup>(3)</sup> and stating that "a *significant advantage for the shareholders could derive from the appointment of an independent Board that would start to take improving measures of strategic direction and governance*" <sup>(4)</sup>. Subsequently, Elliott announced that it would propose an alternative management, indicating candidates with "*considerable expertise and deep experience*", and selected "*due to the ability to strengthen the current Board in order to grasp the significant opportunity of creation of value currently present in TIM*" <sup>(5)</sup>.

Elliott also announced its support to a plan aimed at "*separating and selling part of Netco*" and "*disposing or selling part of Sparkle*" <sup>(6)</sup>.

Despite such initial fierce criticism of the previous management of TIM, Elliott then changed its approach, seeking to obtain the support of TIM shareholders at the Shareholders' Meeting of 4 May 2018 through (a) repeated statements of support to Amos Genish and his team such as "*Elliott believes management should be led by the current CEO*" <sup>(7)</sup> and "*we are very confident in the current management team led by the CEO Amos Genish*" <sup>(8)</sup> and reassurances that Elliott was committed to the existing business plan by claiming that "*the Business Plan presented by CEO on 7-Mar remains the only Plan*" <sup>(9)</sup> and (b) specific promises on the beneficial effects of Elliott's campaign on TIM's share price and on the effectiveness of its governance.

Consistently with such declarations, Elliott voted in favor of the confirmation of Amos Genish at the Shareholders' Meeting of 24 April 2018 <sup>(10)</sup>, declaring the intention to maintain him as CEO of the Company and expressly endorsing his strategic plan as pointed out through the following statement: "*On 07-Mar-2018, CEO Amos Genish announced a promising plan for*

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<sup>3</sup> Letter of Elliott to the TIM shareholders dated 16 March 2018. Such accusations have either not been confirmed or been proven unfounded (e.g., in connection with the proposed agreement with Canal+, as to which Consob has concluded that related party transactions rules were not breached).

<sup>4</sup> Letter of Elliott to the TIM shareholders dated 16 March 2018.

<sup>5</sup> Letter of Elliott to the TIM shareholders dated 16 March 2018.

<sup>6</sup> Letter of Elliott to the TIM shareholders dated 16 March 2018.

<sup>7</sup> Press Release of Elliott dated 19 April 2018.

<sup>8</sup> Declaration of Elliott's representative at the Shareholders' Meeting of 24 April 2018.

<sup>9</sup> Presentation "Transforming TIM" published by Elliott on 9 April 2018.

<sup>10</sup> The decision was approved with the favorable vote of about 98% of the ordinary shares represented at the meeting.

*value creation at TIM'* <sup>(11)</sup>. Elliott's professed support for Amos Genish and his plan was arguably the basis for the outcome of the Shareholders' Meeting of TIM of 4 May 2018.

Only seven months after Elliott made such declarations, on 13 November 2018, all powers conferred to Amos Genish as CEO of the Company were revoked, with immediate effect, at a Board of Directors meeting called by the Chairman on an only 12-hour notice while the CEO was abroad to negotiate a strategic agreement in TIM's interest. In Vivendi's view and as reported by the press, such a critical decision, touted by the Chairman of the Board of Directors of TIM as a matter of urgency, was without any legal basis, in contrast with the relevant corporate procedures and in violation of responsible corporate governance practice. In fact, after a week of turmoil, leaks, discussions and decisions occurring again outside of the competent corporate bodies, a further violation of the rules was accomplished, and a new CEO was nominated without even complying with the standard procedure envisaged by the CEO's succession plan adopted by the Company <sup>(12)</sup>.

The events of 13 November, which the press itself described as a "*golpe*" <sup>(13)</sup>, turned out to be the last "move" of a strategy which, as said, started by repeatedly expressing support to Amos Genish and his plan to gain the votes of other TIM shareholders in the Meeting held this May, but rapidly turned to progressively weakening his position and the approved plan and, then, to remove him (and dump the plan), in contrast not only with the "promises" made upon the Shareholders' Meeting but also with applicable rules as to information to the market, transparency and corporate governance.

Indeed, rumors concerning a possible revocation of Amos Genish were repeatedly spread in the months before the actual decision of the Board, indicating his likely replacement with one of the existing members of the Board of Directors, either Mr. Luigi Gubitosi, Mr. Rocco Sabelli or Mr. Alfredo Altavilla. Such rumors were manifestly not unfounded and Mr. Sabelli soon declared his unavailability to hold the position of CEO of the Company, while Mr.

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<sup>11</sup> Presentation "Transforming TIM" published by Elliott on 9 April 2018.

<sup>12</sup> The CEO succession plan envisages a structured selection procedure of the CEO's candidates, according to which: (i) the Board of Directors delegates the Nomination and Remuneration Committee to identify the group of candidates; (ii) the Nomination and Remuneration Committee proposes the characteristics for the ideal candidate profiles, supplementing them with any indications provided by the executive directors; (iii) the Board of Directors approves the characteristics of the ideal candidates for the succession; (iv) the Nomination and Remuneration Committee ensures that the key resources appraisal system is updated; (v) the Nomination and Remuneration Committee, supported by PV, identifies and monitors, annually, a group of candidates; (vi) the Nomination and Remuneration Committee reports annually to the Board of Directors on its activity (see 2017 Report on Corporate Governance and Share Ownership of TIM, p. 23).

<sup>13</sup> Corriere della Sera, 18 November 2018.

Altavilla – who was rumored to be the lead candidate to the office of CEO – eventually stepped back <sup>(14)</sup>.

As an example of the continuous contradictory statements, on 25 June 2018 the Board of Directors of TIM confirmed “*that its members share a common vision and objectives for TIM, and continue to support the management team*” <sup>(15)</sup>.

Similarly, on 8 November 2018 the Board of Directors of TIM declared that “*the implementation of the DigiTIM Strategic Plan continued, the positive effects of which were recorded in particular in the efficient management of Group CAPEX, amounting to 2.6 billion in the period*”, that the decision to write-down certain intangible assets was due to external factors – i.e. “*the deterioration of the competitive and regulatory context and to the increased interest rates*” – and that “*the write-down does not change the strategic priorities defined in the three-year Plan*” <sup>(16)</sup>. But on 13 November 2018 the position of ten members of TIM’s Board of Directors suddenly and totally changed: “*Chief Executive Officer Amos Genish continued his work in a seamless transition from the past, pursuing the objectives set out in the Strategic Plan he himself had drawn up in coordination with shareholder Vivendi, without achieving them and therefore obliging the current Board to make the write-downs reported in the interim report on operations as at 30 September 2018*” <sup>(17)</sup>. On the same date, the press reported defamatory declarations by Elliott according to which Amos Genish “*did precisely nothing and instead proved to be an impediment to value creation*” <sup>(18)</sup> and “*belonged to the discredited management of Vivendi*” <sup>(19)</sup>.

After a week of turmoil among the Elliott Candidates a new CEO was (by them) nominated and the road to a new strategic plan announced; eventually the course of TIM was thus realigned to Elliott’s original intentions.

***(b) TIM’s corporate governance***

Before pointing out some of the circumstances which prove the reckless breach of corporate governance rules occurred upon the revocation and substitution of Amos Genish, it is

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<sup>14</sup> Among others, Il Giornale, 22 June 2018; La Stampa, 7 September 2018; Milano Finanza, 21 September 2018; Il Messaggero, 11 November 2018.

<sup>15</sup> TIM’s press release dated 25 June 2018.

<sup>16</sup> TIM’s press release dated 8 November 2018.

<sup>17</sup> TIM’s press release dated 13 November 2018.

<sup>18</sup> Financial Times, 13 November 2018.

<sup>19</sup> Il Sole 24 Ore, 14 November 2018.

important to recall that, before and upon the Shareholders' Meeting of May 2018, Elliott had repeatedly declared that a renewal of TIM's Board of Directors was necessary to improve the governance of TIM. In Elliott's view, the management by the former Board of Directors had evidenced clear governance failures and conflicts of interest.

By contrast, the Board of Directors appointed on 4 May 2018 has distinguished itself, among other shortcomings, for:

- the inability to control frequent leaks and speculations to the detriment of the sound management and correct information to the market, despite the privileged nature of this information, as demonstrated, most recently by (i) the resolution on the impairment test taken by the Board in the evening of 8 November 2018 <sup>(20)</sup> and reported by the national press in the morning of the day before <sup>(21)</sup> and (ii) the unauthorized dissemination in the press of internal documents regarding the spinoff of the network <sup>(22)</sup>. It is worth noting that once the "coup" by Elliott Candidates aimed at revoking all the powers conferred to Amos Genish as CEO was accomplished and the new CEO nominated, the flow of leaks and speculations substantially stopped;
- the release of unclear and contradictory statements on relevant issues such as, in addition to the supposed causes behind the impairment test, the possible reasons and structure of a network spinoff;
- the decision not to call a Shareholders' Meeting for the appointment of the external auditors against the recommendation of the Board of Statutory Auditors and the best interest of the Company, as illustrated more in details above with respect to item No. 1 on the agenda;
- the lack of unity and cohesion among directors, which are essential conditions for achieving the objectives of the Company's business plan: the tensions and conflicts within the Board (including within the Elliott Candidates) have severely undermined the market's trust in the ability of TIM's management body to direct the growth and the development of the Company in a medium- to long-term perspective;

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<sup>20</sup> Press release of TIM dated 8 November 2018.

<sup>21</sup> La Repubblica and Milano Finanza, 7 November 2018.

<sup>22</sup> See articles on Il Messaggero of 22 November 2018 and Il Sole 24 Ore of 24 November 2018 referring to the unauthorized circulation of internal documents.



- the hostility against Vivendi, which as a significant and stable shareholder with an industrial view, *per se* inconsistent with Elliott's short-term objectives or with the personal ambitions of individuals involved in corporate duties, has been referred to as "*someone who is not at ease*" (23) and its positions have been commented with words such as "*rumors and inaccurate news*" (24), "*chatter*" (25), "*false and misleading announcements*" (26), "*we shouldn't waste time defending ourselves from a shareholder that actually created this situation*" (27);

The above misconduct, together with the decisions taken eventually by the Elliott Candidates, contradict the "promises" made to the shareholders as to leadership and strategic plan, raise serious uncertainties about the future of TIM's business plan and adversely affected the Company's share price. In fact, it is easy to recall that Elliott accompanied the submission of its slate of candidates by the announcement to TIM shareholders and the market that a renewed, independent Board of Directors could deliver "*actions which may double the stock price over the next two years*" (28).

However, from 4 May 2018, the date on which the new Board was appointed, through 10 December 2018 (the day immediately preceding the date on which Vivendi announced to the market its intention to convene a new Shareholders' Meeting of TIM) the stock price suffered a reduction from € 0.855 to € 0.546, reaching the historical minimum in the last five years in October, with a drastic loss of value for the Company and most of its shareholders, except Elliott itself which, in contrast with its value creation propositions, used derivative instruments to shield most of its investment from a fall of TIM's share market price. In early April 2018 – therefore weeks before the Ordinary Shareholders' Meeting – Elliott entered into a "collar agreement" with JPMorgan on 750,000,000 TIM shares (equal to approximately 4.9% of TIM share capital), which transfers to the bank the positive effects of any increase above € 0.89586, as well as the negative effects of any reduction below € 0.81054 (29).

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<sup>23</sup> Declaration of Mr. Fulvio Conti reported by La Stampa on 8 September 2018.

<sup>24</sup> Declaration of Mr. Fulvio Conti reported by La Stampa on 8 September 2018.

<sup>25</sup> Declaration of Mr. Massimo Ferrari reported on 7 September 2018 by Il Corriere della Sera, Il Sole 24 Ore, Italia Oggi and Il Messaggero.

<sup>26</sup> Press release published by TIM on 13 November 2018.

<sup>27</sup> Il Sole 24 Ore, Milano Finanza, La Repubblica, Il Messaggero and Il Giornale, 12 December 2018.

<sup>28</sup> Presentation "Transforming TIM" published by Elliott on 9 April 2018.

<sup>29</sup> On 9 April 2018, Elliott disclosed to the US Securities and Exchange Commission ("SEC") the underwriting with JPMorgan Chase Bank, N.A., London Branch of call and put options concerning approximately 4.9% of the share capital of TIM. Such call and put options have a strike price of respectively € 0.89586 and € 0.81054 and expiry

*(c) The recent manifestations of TIM's "new" corporate governance*

The facts already described show that what was presented as a renewal of the Board of Directors to secure independent compliance with best practice in corporate governance actually led – with a particular involvement of certain directors – to one of the most dramatic violations of corporate governance occurred in Italian listed companies.

It is enough to read the press to realize that such a path started (from the very beginning) with dispersed criticism of Amos Genish and leaks concerning its substitution <sup>(30)</sup>, going through <sup>(31)</sup> a much puzzling € 2 billion write-down (which was initially presented as due to external factors and was then exploited to enact an illegitimate “*golpe*”) <sup>(32)</sup>.

Indeed, taking advantage of an abrupt call of a Board meeting lacking any due information but, most importantly, lacking the participation of Mr. Amos Genish <sup>(33)</sup> (who had left for business trip in Korea after being reassured by the Chairman) <sup>(34)</sup>, the CEO was ousted “*manu militari*” (as *Il Messaggero* pointed out on 14 November 2018), after external influences <sup>(35)</sup> and upon approval of Elliott <sup>(36)</sup>. All the above following a process occurring outside the competent corporate bodies, taking advantage of the much controversial decision to effect a substantial write-down resolved on 8 November 2018 <sup>(37)</sup>.

But this unprecedented illegitimate decision-making process involving the Elliott Candidates was followed by even more disturbing actions. According to press reports, in their outside meetings and calls <sup>(38)</sup> the Elliott Candidates first fought each other <sup>(39)</sup> and then, following the intervention of Elliott <sup>(40)</sup> and direct participation of Elliott representatives and advisors <sup>(41)</sup>, found agreement upon the new CEO. Only after having reached this behind-the-scenes

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between 5 February 2019 and 6 June 2019 (see the notification made by Elliott to the SEC on 9 April 2018 in accordance with Schedule 13D of the Securities Exchange Act of 1934).

<sup>30</sup> Milano Finanza, 14 November 2018.

<sup>31</sup> *Il Messaggero*, 14 November 2018 and Milano Finanza, 16 November 2018.

<sup>32</sup> *Corriere della Sera*, 18 November 2018.

<sup>33</sup> *La Stampa*, 14 November 2018.

<sup>34</sup> *La Stampa*, 14 November 2018.

<sup>35</sup> *La Stampa*, 14 November 2018 and Milano Finanza, 14 November 2018.

<sup>36</sup> *Il Sole 24 Ore*, 14 November 2018.

<sup>37</sup> *Il Messaggero*, 14 November 2018 and Milano Finanza, 16 November 2018.

<sup>38</sup> *Corriere della Sera*, 18 November 2018.

<sup>39</sup> *Il Messaggero*, 16 November 2018.

<sup>40</sup> *Corriere della Sera*, 18 November 2018.

<sup>41</sup> *Il Messaggero*, 17 November 2018.

agreement, “formalities” <sup>(42)</sup> were complied with by the competent bodies (the Nomination and Remuneration Committee and Board of Directors) where the pre-packaged decisions were confirmed <sup>(43)</sup>.

The whole process, including the turmoil among Elliott Candidates, by-passed any corporate governance rule, therefore triggering criticism by the Statutory Auditors <sup>(44)</sup> and attention by the Authorities.

More specifically, with respect to the Chairman, it is clear that while fiercely claiming his independence, he has actually been acting as an executive director by orchestrating and conducting the “*golpe*” to replace Mr. Amos Genish. In particular, in his capacity as Chairman, he first made sure that the Board of Directors discussed the impairment test results and the subsequent intangible assets write-down on the unusual occasion of the approval of the third quarter financial results without allowing the Board to discuss the recovery plan prepared by the CEO <sup>(45)</sup>. Immediately after, as pointed out, he convened on an urgent basis the Board to remove Amos Genish taking advantage from his absence.

Dante Roscini as Lead Independent Director is required to represent all of the independent directors. Indeed, notwithstanding the provisions of the applicable regulation and code of conduct, he failed to ensure a complete and timely information flow to all directors and, to the contrary, he himself participated in the organized calls and pre-meetings, with the sole Elliott Candidates aimed at “pre-packaging” the relevant decisions of the Board.

Massimo Ferrari contributed to the overall rumor mill and confusion by issuing unauthorized press interviews <sup>(46)</sup>, contrary to the Board regulation on the matter and also actively participating in the pre-meetings among the sole Elliott Candidates where the decision-making actually took place with the intervention by Elliot and its representatives <sup>(47)</sup>.

Alfredo Altavilla, in his capacity as “independent” Chair of TIM’s Nomination and Remuneration Committee, openly tried to run as Amos Genish successor, pursuing therefore his personal interest in attempting to gain a position which eventually – after a fierce battle outside the corporate bodies and once more against the very principles regulating the

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<sup>42</sup> La Repubblica, 18 November 2018.

<sup>43</sup> Corriere della Sera, 18 November 2018 and Il Sole 24 Ore, 18 November 2018.

<sup>44</sup> La Stampa, 18 November 2018.

<sup>45</sup> See the interview to Amos Genish published by La Stampa on 14 November 2018.

<sup>46</sup> La Repubblica, 6 September 2018.

<sup>47</sup> Il Messaggero, 18 November 2018.

succession plan within TIM Group his Committee should have guaranteed – was awarded to Mr. Gubitosi.

Paola Giannotti De Ponti, while being the “independent” Chair of TIM’s Control and Risk Committee, monitored the entire impairment test process whose results have been exploited to “justify” Mr. Genish’s removal and has herself taken part in the actual decision-making which occurred outside the appropriate corporate bodies.

It is indeed clear that the entire process aimed at removing TIM’s CEO (who enjoyed the support of all shareholders at the time of his appointment) has thus been managed through parallel and hidden decision-making processes, conducted under the main responsibility of the TIM Chairman, and with a substantial role for the Chair of the Nomination and Remuneration Committee, the Chair of the Control and Risk Committee, the Lead Independent Director and one of the directors particularly close to Elliott and its advisors.

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In the opinion of Vivendi, the facts illustrated above prove that the Board of Directors is no longer representative of the interests and expectations of all the shareholders that – at the Shareholders’ Meeting of 4 May 2018 – voted in favor of the slate submitted by Elliott on the assumption that the Company was to be led by Amos Genish (who had been confirmed by approximately 98% of the voting shareholders few days before) with the support of a truly independent Board of Directors.

At a time when TIM is called to implement its strategic plan and to face structural and systemic challenges that impose the adoption of well-considered solutions, the prolonged state of uncertainty concerning the strategy and prospects of the Company confirms that the current composition of the Board of Directors in office is not suitable to ensure to the Company a solid, accountable and coherent guide.

Vivendi is not a speculative fund trying to pursue short-term gains by breaking up companies, while at the same time minimizing its downside exposure through derivative instruments. Vivendi is an industrial anchor shareholder, which has made a very relevant financial investment in TIM (approximately € 4 billion) and that, precisely for this reason, seriously and credibly, cultivates a long-term perspective with the aim of contributing to maximize the value growth of TIM’s business for the benefit of all its stakeholders.

In this capacity, Vivendi considers it essential that the serious shortcomings in the governance of TIM be removed as soon as possible to prevent any further damage and that suitable conditions in order to allow the Company to focus on achieving its strategic objectives are promptly restored.

For these objective reasons, Vivendi proposes to revoke the following directors appointed on 4 May 2018 from the slate submitted by Elliott: Fulvio Conti, Alfredo Altavilla, Massimo Ferrari, Dante Roscini and Paola Giannotti De Ponti.

Those directors, in Vivendi's opinion, have breached repeatedly basic and fundamental corporate governance rules, definitively lacking the necessary independence and commitment in favor of a cohesive and inclusive governance in the interest of all TIM stakeholders.

To replace the directors to whom the revocation proposal refers, Vivendi intends to submit to the Shareholders' Meeting the following names: Mr. Franco Bernabè, Mr. Rob van der Valk, Ms. Flavia Mazzarella, Mr. Gabriele Galateri di Genola and Mr. Francesco Vatalaro. These nominations aim at enriching the composition of the Board of Directors with highly qualified professionals having a solid technical background, including in the telecommunications sector, by re-establishing the unity and cohesion among the members of the administrative body, as well as encouraging a more effective and uniform action by the Board. Furthermore, all the proposed candidates are independent pursuant to the TUF and the Corporate Governance Code of Borsa Italiana and four of them are Italian citizens.

Furthermore, the new composition of the Board of Directors would make it possible to strengthen the level of participation of non-executive and independent directors in monitoring the management of the Company, taking into account that the proposed candidates are able to dedicate the time necessary to perform the office of director of TIM.

The *curricula vitae* of the candidates, with an indication of the administration and control positions held in other companies, as well as the declarations of acceptance of appointment made by individual candidates, certifying the absence of causes of ineligibility and incompatibility, as well as the existence of the independence requirements and any other information required by the applicable rules, also regulatory, and by the by-laws of TIM, are attached to this report.

Lastly, it should be noted that the revocation of five directors does not entail the termination of the majority of the Board of Directors, which will remain in office until the end of its mandate. Accordingly, the appointment of five directors in replacement of those revoked does not require the application of the slate voting mechanism. Therefore, pursuant to Article 9.8 of the by-laws of TIM, this appointment shall be resolved by the Shareholders' Meeting with the majorities required by law, in compliance with the requirements provided by the law and the by-laws concerning the composition of the administrative body.

Vivendi, with this initiative, does not intend in any way to take control over TIM, nor to exercise any direction and coordination powers. Instead, Vivendi intends to invite the market

to contribute with its own vote to re-establish conditions of proper functioning of the Board of Directors and of serene and fair cooperation among its members, according to the law and best practices of corporate governance, in the interest of all investors in creating value in TIM.

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In light of the above, we invite you to approve the following proposals of resolutions.

**Item listed on the agenda concerning the *“Revocation of no. 5 (five) Directors in the persons of Messrs. Fulvio Conti, Alfredo Altavilla, Massimo Ferrari, Dante Roscini and Ms. Paola Giannotti De Ponti”*.**

*“The Shareholders’ meeting of Telecom Italia S.p.A. resolves to revoke, with immediate effect, Messrs. Fulvio Conti, Alfredo Altavilla, Massimo Ferrari, Dante Roscini and Ms. Paola Giannotti De Ponti from the office of member of the Board of Directors of the Company, granting the legal pro-tempore representative and, in case of his inactivity, the board of statutory auditors with the mandate to make the consequent registrations with the competent Companies’ Register pursuant to the applicable law provisions.”*

**Item listed in the agenda concerning the *“Appointment of no. 5 (five) Directors in the persons of Mr. Franco Bernabè, Mr. Rob van der Valk, Ms. Flavia Mazzarella, Mr. Gabriele Galateri di Genola and Mr. Francesco Vatalaro, in replacement of the revoked directors pursuant to the previous item on the agenda.”*.**

*“The Shareholders’ meeting of Telecom Italia S.p.A., having acknowledged of the revocation of Messrs. Fulvio Conti, Alfredo Altavilla, Massimo Ferrari, Dante Roscini and Ms. Paola Giannotti De Ponti from the office of member of the Board of Directors of the Company, resolves to appoint as directors of the Company, in replacement of the former revoked directors, Mr. Franco Bernabè, Mr. Rob van der Valk, Ms. Flavia Mazzarella, Mr. Gabriele Galateri di Genola and Mr. Francesco Vatalaro, who will remain in office until the expiration of the mandate of the current Board of Directors and therefore until the approval of the financial statements as of 31 December 2020”.*


\* \* \*

Paris, 14 December 2018

**VIVENDI S.A.**

**Stéphane Roussel**

*(Chief Operating Officer)*

  
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**Frédéric Crépin**

*(Group General Counsel)*

  
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## Declaration of the candidate Franco Bernabè to the office of Director

The undersigned Franco Bernabè, born in Vipiteno, Italy, on September 18, 1948, indicated by the shareholder Vivendi S.A. as a candidate to the office of Director of Telecom Italia S.p.A. (hereinafter also the "Company"), in connection with the request to call a Meeting of ordinary shareholders of the Company submitted by the same shareholder on 14 December 2018, pursuant to Article 2367 of the Italian Civil Code, to resolve, among others, on the revocation of five members of the Board of Directors of the Company and on the appointment of five new directors,

- declares
  - to accept the candidacy and the possible appointment to the office of Director of Telecom Italia S.p.A.;
  - to be able to devote to the duties of Director of Telecom Italia S.p.A. the necessary time for its effective and diligent performance, as well as to accept the principles of conduct contained in the Code of Ethics and Conduct of the Telecom Italia Group and the Principles of Corporate Governance of the Company;
- attests
  - the absence of causes of ineligibility and incompatibility to hold the office of Director of Telecom Italia S.p.A. and the possession, to the same end, of the prescribed requirements, including the integrity requirements set out in the combined provisions of article 147-*quinquies*, paragraph 1, of the Legislative Decree of February 24, 1998 no. 58 (hereinafter also "TUF"), of article 148, paragraph 4, of the TUF and of article 2 of the Ministerial Decree no. 162 dated March 30, 2000;
  - not to be in the conditions set forth by article 2390 of the Italian Civil Code (be a fully liable member, director or general manager in companies which are competitors with Telecom Italia S.p.A., exercise on his own or through third parties activities in competition with those carried out by Telecom Italia S.p.A.);
  - to meet the independence requirements set out in the combined provisions of article 147-*ter*, paragraph 4, of the TUF and article 148, paragraph 3, of the TUF;
  - to meet the independence requirements set out in the Corporate Governance Code of listed companies adopted by Borsa Italiana;
  - not to hold management and control offices in excess to what provided in Chapter 3 "Composition of the Board of Directors", Paragraph 3.2, of the Principles of Corporate Governance of Telecom Italia S.p.A.;
  - to be informed and to authorize, pursuant to the applicable rules, that his personal data are collected and processed/disseminated by Telecom Italia S.p.A. within the procedure for which this declaration is rendered;

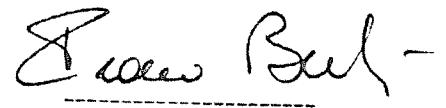


*Courtesy translation*

- agrees to promptly communicate any subsequent changes in the information provided with this declaration and in his *curriculum vitae* containing, among other things, the indication of the management and supervisory offices held in other companies;
- authorizes the publication of his *curriculum vitae* by Telecom Italia S.p.A., as per the applicable provisions.

Rome, December 12, 2018

Signature



Handwritten signature of Franco Berti, written in black ink. The signature is cursive and includes a horizontal dashed line underneath the name.

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## FRANCO BERNABÈ

Italian citizen.

### Business address

FB Group - Via San Nicola da Tolentino 5 - 00187 Rome (Italy).

### EXPERTISE AND EXPERIENCE

Franco Bernabè was born in Vipiteno (Bozen) on September 18, 1948.

After earning his degree with honors in Economics and Political Science at the University of Turin in 1973, Mr. Bernabè worked for two years as a post-graduate fellow at the Einaudi Foundation, and then as Senior Economist at the OECD Department of Economics and Statistics in Paris.

From 1978 to 1983, Mr. Bernabè worked at the Planning Department of FIAT as Chief Economist.

In 1983, he joined ENI as deputy to the Chairman and subsequently became the head of Corporate Planning, Financial Control and Corporate Development; from 1992 to 1998, Mr. Bernabè was CEO of ENI. During his two terms, he achieved the turnaround of the company and its successful privatization, making ENI one of the largest oil companies by market capitalization worldwide.

In November 1998, Mr. Bernabè became CEO of Telecom Italia, a position he retained until May 1999.

At the end of 1999, he founded FB Group, an investment company active in the areas of financial advisory, ICT and renewable energy. In 2004, following the contribution of the financial advisory activities of FB Group to Rothschild S.p.A., he was appointed Vice Chairman of Rothschild Europe.

In 2008, he moved back to Telecom Italia, where he served as Chief Executive Officer until 2010 and Executive Chairman during the following three years.

In 2015, he was appointed Chairman of CartaSi and Vice Chairman of the Istituto Centrale delle Banche Popolari Italiane (ICBPI), where he then became Chairman in 2016. ICBPI has since changed its name to Nexi S.p.A. The same year, he became Chairman of the Italian Commission of UNESCO, which aims at enhancing the promotion and implementation of the UNESCO programs in Italy.

On May 4, 2017, Mr. Bernabè was appointed as independent Director of Telecom Italia. From March 22, 2018 to May 4, 2018, he served as Deputy Chairman of Telecom Italia and as a member of the Strategic Committee.

In the past, Mr. Bernabè also held various offices, among which: Chairman of GSMA, the International organization of mobile operators, member of the Board of directors of PetroChina (where he also served as Chairman of the Audit Committee), member of the European Roundtable of Industrialists, member of the International Council of JP Morgan, member of the Managing Board of Assonime and Assolombarda, member of the Managing Board and Executive Committee of Confindustria, member of the Board of directors of Fiat, Tiscali, Pininfarina, Poste Olandesi (TPG), Institut Français du Pétrole (IFP) and Chairman of the Observatoire Méditerranéen de l'Energie (OME). He was also a member of the International Advisory Board of Credit Suisse, of the Advisory Board of the Council on Foreign Relations and of the Perez Center for Peace, founded by Shimon Perez.

He also occupied various public positions: in 1999, he was appointed by the Prime Minister as special representative of the Italian government for the reconstruction of Kosovo; from 2001 to 2003, he was Chairman of La Biennale di Venezia and between 2004 and 2014, he was the Chairman of Mart of Trento and Rovereto.

In 2011, Mr. Bernabè was knighted by the President of the Italian Republic.

### POSITIONS AND FUNCTIONS

- Nexi S.p.A., Chairman of the Board of directors
- Nexi Payments S.p.A., Member of the Board of directors
- FB Group, Chairman
- UNESCO, Chairman of the Italian Commission
- Fondazione La Quadriennale di Roma, Chairman

## Declaration of the candidate Rob van der Valk to the office of Director

The undersigned Rob van der Valk, born in Castricum, the Netherlands, on January 28, 1971, indicated by the shareholder Vivendi S.A. as a candidate to the office of Director of Telecom Italia S.p.A. (hereinafter also the "**Company**"), in connection with the request to call a Meeting of ordinary shareholders of the Company submitted by the same shareholder on 14 December 2018, pursuant to Article 2367 of the Italian Civil Code, to resolve, among others, on the revocation of five members of the Board of Directors of the Company and on the appointment of five new directors,

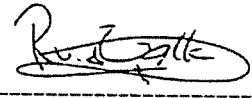
- declares
  - to accept the candidacy and the possible appointment to the office of Director of Telecom Italia S.p.A.;
  - to be able to devote to the duties of Director of Telecom Italia S.p.A. the necessary time for its effective and diligent performance, as well as to accept the principles of conduct contained in the Code of Ethics and Conduct of the Telecom Italia Group and the Principles of Corporate Governance of the Company;
  
- attests
  - the absence of causes of ineligibility and incompatibility to hold the office of Director of Telecom Italia S.p.A. and the possession, to the same end, of the prescribed requirements, including the integrity requirements set out in the combined provisions of article 147-*quinquies*, paragraph 1, of the Legislative Decree of February 24, 1998 no. 58 (hereinafter also "TUF"), of article 148, paragraph 4, of the TUF and of article 2 of the Ministerial Decree no. 162 dated March 30, 2000;
  - not to be in the conditions set forth by article 2390 of the Italian Civil Code (be a fully liable member, director or general manager in companies which are competitors with Telecom Italia S.p.A., exercise on his own or through third parties activities in competition with those carried out by Telecom Italia S.p.A.);
  - to meet the independence requirements set out in the combined provisions of article 147-*ter*, paragraph 4, of the TUF and article 148, paragraph 3, of the TUF;
  - to meet the independence requirements set out in the Corporate Governance Code of listed companies adopted by Borsa Italiana;
  - not to hold management and control offices in excess to what provided in Chapter 3 "Composition of the Board of Directors", Paragraph 3.2, of the Principles of Corporate Governance of Telecom Italia S.p.A.;
  - to be informed and to authorize, pursuant to the applicable rules, that his personal data are collected and processed/disseminated by Telecom Italia S.p.A. within the procedure for which this declaration is rendered;

*Courtesy translation*

- agrees to promptly communicate any subsequent changes in the information provided with this declaration and in his *curriculum vitae* containing, among other things, the indication of the management and supervisory offices held in other companies;
- authorizes the publication of his *curriculum vitae* by Telecom Italia S.p.A., as per the applicable provisions.

London, December 12, 2018

Signature

A handwritten signature in black ink, appearing to read "R. Z. Galle", is written above a horizontal dashed line.

---

## **ROB VAN DER VALK**

Dutch citizen.

### **Business address**

Kemp House  
160 City Road  
London EC1V 2NX  
United Kingdom

### **EXPERTISE AND EXPERIENCE**

Mr. Van der Valk has over twenty years of capital markets and telecom sector experience on both the buy- and sell-side and has been a close follower of Telecom Italia throughout his career. Mr. Van der Valk is director of Falcon Eye Consulting Ltd, a London-based consultancy firm he founded.

From 2007 to July 2018 he was Senior Portfolio Manager and Head of Telecom and Telecom Equipment within the Sector Strategies Division of Norges Bank Investment Management (NBIM) in London, the world's largest Sovereign Wealth Fund. In this role Mr. Van der Valk engaged in detailed financial, strategic and governance related discussions with senior executives and board members of a large number of telecom, cable, satellite, tower and datacenter companies around the globe. His approach has always been based on rigorous analysis, financial modelling and a constructive dialogue with companies. He was regularly recognized as a top ranked fund manager by companies in his sector in the annual Extel awards.

From 2000 to 2007 he worked at Citigroup Global Markets as both European telecom equity research analyst and global telecom specialist salesperson.

He started his career in London in 1996 as an equity research analyst at Barclays de Zoete Wedd (BZW), soon after acquired by Credit Suisse First Boston (CSFB).

Mr. Van der Valk was born on 28 January 1971 in Castricum, the Netherlands. He holds a Master of Science degree in Business Economics from the Vrije Universiteit of Amsterdam.

**Declaration of the candidate Flavia Mazzarella to the office of Director**

The undersigned Flavia Mazzarella born in Teramo (Italy), on December 24, 1958, indicated by the shareholder Vivendi S.A. as a candidate to the office of Director of Telecom Italia S.p.A. (hereinafter also the "Company"), in connection with the request to call a Meeting of ordinary shareholders of the Company submitted by the same shareholder on 14 December 2018, pursuant to Article 2367 of the Italian Civil Code, to resolve, among others, on the revocation of five members of the Board of Directors of the Company and on the appointment of five new directors,

• **declares**

- to accept the candidacy and the possible appointment to the office of Director of Telecom Italia S.p.A.;
- to be able to devote to the duties of Director of Telecom Italia S.p.A. the necessary time for its effective and diligent performance, as well as to accept the principles of conduct contained in the Code of Ethics and Conduct of the Telecom Italia Group and the Principles of Corporate Governance of the Company;

• **attests**

- the absence of causes of ineligibility and incompatibility to hold the office of Director of Telecom Italia S.p.A. and the possession, to the same end, of the prescribed requirements, including the integrity requirements set out in the combined provisions of article 147-*quinquies*, paragraph 1, of the Legislative Decree of February 24, 1998 no. 58 (hereinafter also "TUF"), of article 148, paragraph 4, of the TUF and of article 2 of the Ministerial Decree no. 162 dated March 30, 2000;
- not to be in the conditions set forth by article 2390 of the Italian Civil Code (be a fully liable member, director or general manager in companies which are competitors with Telecom Italia S.p.A., exercise on her own or through third parties activities in competition with those carried out by Telecom Italia S.p.A.);
- to meet the independence requirements set out in the combined provisions of article 147-*ter*, paragraph 4, of the TUF and article 148, paragraph 3, of the TUF;
- to meet the independence requirements set out in the Corporate Governance Code of listed companies adopted by Borsa Italiana;
- not to hold management and control offices in excess to what provided in Chapter 3 "Composition of the Board of Directors", Paragraph 3.2, of the Principles of Corporate Governance of Telecom Italia S.p.A.;
- to be informed and to authorize, pursuant to the applicable rules, that her personal data are collected and processed/disseminated by Telecom Italia S.p.A. within the procedure for which this declaration is rendered;

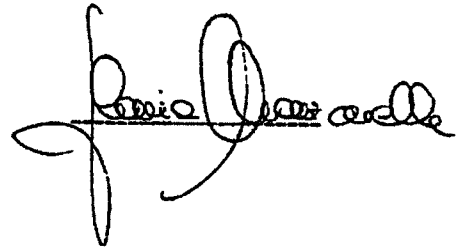


*Courtesy translation*

- agrees to promptly communicate any subsequent changes in the information provided with this declaration and in her *curriculum vitae* containing, among other things, the indication of the management and supervisory offices held in other companies;
- authorizes the publication of her *curriculum vitae* by Telecom Italia S.p.A., as per the applicable provisions.

Roma, December 13, 2018

Signature

A handwritten signature in black ink, appearing to read "Ennio Moriconi", written over a horizontal line. The signature is highly stylized and cursive.

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## FLAVIA MAZZARELLA

Italian citizen.

### EXPERTISE AND EXPERIENCE

Mrs. Flavia Mazzarella was born in Teramo on 24 December 1958. She has a degree in Business and Economics, *cum laude*, from the University of Rome "La Sapienza".

In 1983, she started her career at CENSIS - *Centro Studi Investimenti Sociali* as researcher. Between October 1985 and September 1990 she worked as analyst at the study department of Mediocredito Centrale S.p.A.; then she joined Sviluppo Italia S.p.A. until January 1994.

From 1994 to 2002, she joined the Privatization office at the Ministry of Finance and Economics where she worked as public manager from 2000.

From 2002 to 2005 she was head of one of the two "Supervisory Service" departments at the *Istituto per la vigilanza sulle assicurazioni private e di interesse collettivo* (ISVAP). She served in the same Authority as Deputy General Manager until 2012.

Between November 2009 and December 2010, she was member of the Management Board of the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) in charge of consumer protection. Later she was appointed as member of the management board of the European Insurance and Occupational Pensions Authority (EIOPA).

From 2013 to July 2014 she served at *Autorità dell'Istituto per la Vigilanza sulle Assicurazioni* (IVASS) as public manager with consultancy and support functions to the benefit of the Authority Board.

During the three-years period 2015 - 2018 she was director and member of the Control and Risk Committee of SAIPEM S.p.A.

Between February 2016 and March 2017, she held the office of director of Banca Finnat Euramerica S.p.A., where she served as Chairman of the Risk Committee, member of the Nomination Committee and Lead Independent Director. From March 2017 she is Chairman of the same company.

Between May 2018 and November 2018, she served as director of FIGC Servizi S.r.l. From November 2018 she is director of Garofalo Health Care S.p.A. where she also serves as Chairman of the Control and Risk Committee and member of the Nomination and Remuneration Committee.

During her career she was also a director of Sviluppo Italia S.p.A. and Chairman of regional subsidiaries of the same (Sviluppo Italia Campania S.p.A. and Sviluppo Italia Molise S.p.A.). She was also member of the Audit Board of "Marco Fanno", the association of the fellows of Mediocredito Centrale S.p.A.

She participated to committees and working groups established by the Presidency of the Council of Ministers (*Presidenza del Consiglio dei Ministri*), including: (i) working group for the assignment of the UMTS licenses (2000), (ii) inter-ministerial working group for the analysis of the costs arising from the nuclear decommissioning (2006), (iii) experts commission for the implementation of the project "*Initiatives in favour of employment, self-employment and women entrepreneurship*" (1998). She also served as Secretary of the *Comitato di Consulenza Globale e di garanzia per le Privatizzazioni* at the Ministry of Economy and Finance (1999 - 2002) and was a member of the *OECD Privatization Network* (2000 - 2002). During her career she also taught at the post degree master "Investment Service" at the University of Rome "La Sapienza" (2005- 2012).

### OTHER POSITIONS AND FUNCTIONS

- Garofalo Health Care S.p.A. (\*), Chairman of the Control and Risk Committee and member of the Nomination and Remuneration Committee
- Finnat Euramerica S.p.A. (\*), Chairman of the Board of Directors

(\* ) *Listed companies.*



## Declaration of the candidate Gabriele Galateri di Genola to the office of Director

The undersigned Gabriele Galateri di Genola born in Rome (Italy) on January 11, 1947, indicated by the shareholder Vivendi S.A. as a candidate to the office of Director of Telecom Italia S.p.A. (hereinafter also the "Company"), in connection with the request to call a Meeting of ordinary shareholders of the Company submitted by the same shareholder on 14 December 2018, pursuant to Article 2367 of the Italian Civil Code, to resolve, among others, on the revocation of five members of the Board of Directors of the Company and on the appointment of five new directors,

- declares

- to accept the candidacy and the possible appointment to the office of Director of Telecom Italia S.p.A.;
- to be able to devote to the duties of Director of Telecom Italia S.p.A. the necessary time for its effective and diligent performance, as well as to accept the principles of conduct contained in the Code of Ethics and Conduct of the Telecom Italia Group and the Principles of Corporate Governance of the Company;

- attests

- the absence of causes of ineligibility and incompatibility to hold the office of Director of Telecom Italia S.p.A. and the possession, to the same end, of the prescribed requirements, including the integrity requirements set out in the combined provisions of article 147-*quinquies*, paragraph 1, of the Legislative Decree of February 24, 1998 no. 58 (hereinafter also "TUF"), of article 148, paragraph 4, of the TUF and of article 2 of the Ministerial Decree no. 162 dated March 30, 2000;
- not to be in the conditions set forth by article 2390 of the Italian Civil Code (be a fully liable member, director or general manager in companies which are competitors with Telecom Italia S.p.A., exercise on his own or through third parties activities in competition with those carried out by Telecom Italia S.p.A.);
- to meet the independence requirements set out in the combined provisions of article 147-*ter*, paragraph 4, of the TUF and article 148, paragraph 3, of the TUF;
- to meet the independence requirements set out in the Corporate Governance Code of listed companies adopted by Borsa Italiana;
- not to hold management and control offices in excess to what provided in Chapter 3 "Composition of the Board of Directors", Paragraph 3.2, of the Principles of Corporate Governance of Telecom Italia S.p.A.;
- to be informed and to authorize, pursuant to the applicable rules, that his personal data are collected and processed/disseminated by Telecom Italia S.p.A. within the procedure for which this declaration is rendered;

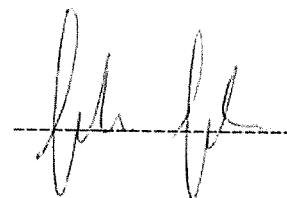
*Courtesy translation*

- agrees to promptly communicate any subsequent changes in the information provided with this declaration and in his *curriculum vitae* containing, among other things, the indication of the management and supervisory offices held in other companies;
- authorizes the publication of his *curriculum vitae* by Telecom Italia S.p.A., as per the applicable provisions.

Rome

[·], December 14, 2018

Signature

A handwritten signature in black ink, written over a horizontal dashed line. The signature is stylized and appears to consist of two main parts, possibly initials or a first and last name, written in a cursive or semi-cursive style.

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## GABRIELE GALATERI DI GENOLA

Italian citizen.

### **Business address**

Milan - Piazza Tre Torri, 1

### EXPERTISE AND EXPERIENCE

Mr. Gabriele Galateri di Genola was born on January 11, 1947 in Rome, Italy. He graduated in Law and obtained an MBA from Columbia University.

His professional career began in 1971 at the headquarters of Banco di Roma, with the role of Head of Financial Analysis Office and, later, Head of International Financing.

In 1974, he joined Saint Gobain Group in Italy as Financial Director and later in Paris until 1976.

In 1977, he joined FIAT S.p.A., where he had increasingly high-ranking positions: from Head of the North, Central and South American Operations of the International Finance Department to Head of the International Finance Department and Finance Director.

In 1986, he was appointed Managing Director of IFIL S.p.A. and, in 1993, he also held the position of Managing Director and General Manager of IFI until 2002.

In June 2002, he was appointed Managing Director of FIAT S.p.A.

From April 2003 to June 2007, he was Chairman of the Board of Directors of Mediobanca S.p.A. and, from December 3, 2007 until April 12, 2011, he was Chairman of Telecom Italia S.p.A., of which he was a director until April 2014.

From April 26, 2003 until April 24, 2010, he was Director and Vice-Chairman of Assicurazioni Generali S.p.A.

Since April 8, 2011, he has been Chairman - Non-executive Director of Assicurazioni Generali S.p.A., where he is also Chairman of the Corporate Governance, Social & Environmental Sustainability Committee and member of the Investment and Strategic Transaction Committee.

### POSITIONS AND FUNCTIONS

- Assicurazioni Generali S.p.A. (\*), Chairman - Non-executive Director, Chairman of the Corporate Governance, Social & Environmental Sustainability Committee, member of the Investment and Strategic Transaction Committee
- Moncler S.p.A. (\*), Non-executive member of the Board of Directors
- Edenred S.A. (\*), Non-executive member of the Board of Directors
- Lavazza S.p.A., Non-executive member of the Board of Directors
- Giorgio Cini Foundation, Non-executive member of the Board of Directors
- Chair of the Italian Technology Institute
- Member of the Board of Overseers of the Columbia Business School
- Member of the European Advisory Board of Temasek
- Member of the Global Advisory Council of Bank of America Merrill Lynch

(\*) *Listed companies.*

### **Declaration of the candidate Francesco Vatalaro to the office of Director**

The undersigned Francesco Vatalaro born in Vibo Valentia (Italy) on October 8, 1953, indicated by the shareholder Vivendi S.A. as a candidate to the office of Director of Telecom Italia S.p.A. (hereinafter also the "**Company**"), in connection with the request to call a Meeting of ordinary shareholders of the Company submitted by the same shareholder on 14 December 2018, pursuant to Article 2367 of the Italian Civil Code, to resolve, among others, on the revocation of five members of the Board of Directors of the Company and on the appointment of five new directors,

- declares
  - to accept the candidacy and the possible appointment to the office of Director of Telecom Italia S.p.A.;
  - to be able to devote to the duties of Director of Telecom Italia S.p.A. the necessary time for its effective and diligent performance, as well as to accept the principles of conduct contained in the Code of Ethics and Conduct of the Telecom Italia Group and the Principles of Corporate Governance of the Company;
  
- attests
  - the absence of causes of ineligibility and incompatibility to hold the office of Director of Telecom Italia S.p.A. (by virtue of art. 7 of Law 240/2010 or any other applicable legislation, undertaking from now on to request its application to the University to which he belongs in the event of appointment), and the possession, to the same end, of the prescribed requirements, including the integrity requirements set out in the combined provisions of article 147-*quinquies*, paragraph 1, of the Legislative Decree of February 24, 1998 no. 58 (hereinafter also "**TUF**"), of article 148, paragraph 4, of the TUF and of article 2 of the Ministerial Decree no. 162 dated March 30, 2000;
  - not to be in the conditions set forth by article 2390 of the Italian Civil Code (be a fully liable member, director or general manager in companies which are competitors with Telecom Italia S.p.A., exercise on his own or through third parties activities in competition with those carried out by Telecom Italia S.p.A.);
  - to meet the independence requirements set out in the combined provisions of article 147-*ter*, paragraph 4, of the TUF and article 148, paragraph 3, of the TUF;
  - to meet the independence requirements set out in the Corporate Governance Code of listed companies adopted by Borsa Italiana;

- not to hold management and control offices in excess to what provided in Chapter 3 "Composition of the Board of Directors", Paragraph 3.2, of the Principles of Corporate Governance of Telecom Italia S.p.A.;
- to be informed and to authorize, pursuant to the applicable rules, that his personal data are collected and processed/disseminated by Telecom Italia S.p.A. within the procedure for which this declaration is rendered;
- agrees to promptly communicate any subsequent changes in the information provided with this declaration and in his *curriculum vitae* containing, among other things, the indication of the management and supervisory offices held in other companies;
- authorizes the publication of his *curriculum vitae* by Telecom Italia S.p.A., as per the applicable provisions.

Rome, December 13, 2018

Signature



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## FRANCESCO VATALARO

Italian citizen.

### EXPERTISE AND EXPERIENCE

Professor Francesco Vatalaro was born in Vibo Valentia on October 8, 1953. In 1977 he graduated in Electronics Engineering from the University of Bologna.

Since 1978 to 1980 he worked at "Fondazione Ugo Bordoni", Villa Griffone, as a researcher. Subsequently, he worked as a researcher at the Research Centre FACE Standard since 1980 to 1985.

Since 1985 to 1987 he was "group leader" in charge of system engineering for ground stations at Selenia Spazio.

Since 2000 he is Full Professor of Telecommunications at the University of Rome "Tor Vergata", where he had previously served as Associate Professor of Telecommunications since 1987.

Since 1987 to 1989 for Alenia Spazio he was in charge of the ground segment of the project Data Relay System of the European Space Agency (ESA).

He was a member of the Board of Directors of *Consorzio di Ricerca CoRiTeL* for five years (1995 - 2000).

Since 2001 to 2008 he held office of Chairman of *Consorzio di Ricerca RadioLabs*, that he also founded. Since 2003 to 2007 he was a member of the Directive Board of CNIT.

He was Principal Investigator of one of the main national projects in the TLC sector, the national research project FIRB "Virtual Immersive Communications" (VICOM) of the Ministry of Education, University and Research (2002 - 2006).

In 2006 he joined the Scientific Committee of Thales (former Alcatel) Alenia Space, of which he was a member until 2010.

Since 2008 he is member of the board of directors, appointed by the University of Rome "Tor Vergata", of the *Consorzio di Ricerca RadioLabs*.

He was Chairman of the "Comitato NGN Italia" of the Communications Regulatory Authority (AGCOM) since 2009 to 2012.

Since 2010 to 2012 he was also the chairman of the Italy Section of the IEEE – Institute of Electrical and Electronics Engineers.

He was the Chairman of the Advisory Board of F2i/Metroweb (2011) and Member of the Strategic Committee of the IEEE Communications Society (2012).

As to the academic activity, he held the following additional positions: Professor of Electrical Communications at the University of L'Aquila (1991 - 1993), Professor of Telecommunications at the High School of Telecommunications (*Scuola Superiore di Telecomunicazioni*), Ministry of Communication (1995 - 1998 and 2001 - 2005), Visiting Professor at University of Southern California, Electrical Engineering/Systems Dept., Los Angeles, USA, with teaching appointment ("Spread Spectrum Systems" course) (1998), Visiting Professor at University of California Los Angeles, Computer Science Dept., Los Angeles, California, USA, with teaching appointment ("Satellite Networks" course) (2000).

Has worked with many institutions such as ISCOM - Ministry of Communications, Arma dei Carabinieri, ISVAP, CNIPA and the Municipality of Rome.

He is author and co-author of more than 150 scientific publications on international journals or presented at international conferences.

### OTHER POSITIONS AND FUNCTIONS

- Consorzio di Ricerca RadioLabs, director
- Consorzio di Ricerca CoRiTeL, director
- Consorzio di ricerca CNIT, director
- Fondazione INNTEA, representative of University of Rome Tor Vergata
- AGCOM, Chairman of the "Comitato NGN Italia"
- F2i/Metroweb, Chairman of the Advisory Board
- IEEE – Institute of Electrical and Electronics Engineers, chairman of Italy Section
- IEEE Communications Society, Member of the Strategic Committee