

**REPORT TO THE SHAREHOLDERS' MEETING OF INWIT S.P.A.  
PROPOSAL PRESENTED BY THE SHAREHOLDER TIM S.P.A. PURSUANT TO ART. 126-BIS  
OF LEGISLATIVE DECREE 58/1998**

**Appointment of 4 Directors, subject to the number of members of the Board of Directors being revised upwards from 11 to 15 Directors – related and consequent resolutions**

Dear Shareholders,

This report has been prepared by TIM S.p.A., pursuant to Art. 126-*bis* of Legislative Decree no. 58 of 24 February 1998, with reference to the request to supplement the agenda of the ordinary Shareholders' Meeting of Inwit S.p.A. – called, in a single call, for 20 April 2017 – with the addition of the following item, to be discussed and resolved on during the ordinary session:

*“Appointment of 4 Directors, subject to the number of members of the Board of Directors being revised upwards from 11 to 15 Directors – related and consequent resolutions.”*

The current composition of the Board of Directors of the Company was defined by the Shareholders' Meeting on 15 May 2015, which supplemented the composition of the board, as established during incorporation on 14 January 2015, resolving that the number of members of the board would be 11, and that they would remain in office until the approval of the financial statements as at 31 December 2017.

After the initial IPO, TIM's declared objective was then gradual disengagement from the shareholding, which in fact underwent a formal valuation process, interrupted only last year. In this regard, the valuation of the strategic nature of Inwit within the TIM Group was reviewed, which was most recently confirmed during the 2017-2019 strategic planning: it is now recognized that for TIM Inwit represents a key asset for the oversight and development of the customer base and domestic revenues in the mobile sector.

This acquired knowledge gives rise to the need for the Parent Company to strengthen the board of the subsidiary with new resources capable of contributing expertise and

professionalism to the debate, in the interests of the Company and all of its stakeholders.

The proposal is therefore to upwardly revise the numerical composition of the Board, taking it from 11 to 15 members, in compliance with the limits set in the bylaws, and therefore to proportionally increase the maximum annual gross compensation for the board from 600,000 euros to 818,000 euros, leaving the division of this sum to be determined at the discretion of the Board itself. To supplement the board, the following persons in particular are put forward as candidates:

- Filomena Passeggio, independent,
- Aurelio Guarna, independent,
- Agostino Nuzzolo, non-independent,
- Giuseppe Recchi, non-independent,

their CVs are annexed. Should the proposed candidates be appointed, there would be 8 independent Directors out of 15 and the gender ratio would be 1:3, in full compliance with the applicable regulatory requirements.

It remains understood that the newly appointed Directors would cease to hold office with the approval of the financial statements as at 31 December 2017, when the Shareholders' Meeting will arrange for the renewal applying the slate voting mechanism.

All that having been said, it is proposed that the Shareholders' Meeting of Inwit resolves:

- to upwardly revise the number of members of the Board of Directors of the Company from 11 to 15;
- to appoint Filomena Passeggio, Aurelio Guarna, Agostino Nuzzolo and Giuseppe Recchi as Board Directors of the Company, who would remain in office until the expiry of the term of office of the current Board of Directors, and therefore until the approval of the financial statements as at 31 December 2017;
- the redetermination, for the remaining period up until the expiry of the term of office, of the total annual gross compensation of the Board of Directors pursuant to Art. 2389, subsection 1, of the Italian Civil Code, from 600,000 euros to 818,000 euros.