

Press Release

TIM: SETTLEMENT AGREEMENT APPROVED

Roma, 24 July 2017

TIM informs that, today, the Board of Directors has approved by majority (upon favourable opinion by majority by the Appointment and Remuneration Committee, also pursuant to the procedure for the approval of Related Parties Transactions, due to the qualification of the Chief Executive Officer as related party) a settlement agreement regulating the termination, as of 28 July 2017, of Mr. Cattaneo's mandate as Chief Executive Officer (also member, as such, of the Strategic Committee) and from the relationship as General Manager (effective 31 July 2017). The board of Statutory Auditors has expressed non-favourable, non-binding opinion.

The agreement provides for the payment to Mr. Cattaneo, at the termination, of 22.9 million euro gross as settlement payment referred to the amounts due to Mr. Cattaneo based on his contract with the Company, considering in particular the so-called Special Award and the MBO, in relation to the activity already rendered as director and to the value already created based on the currently available data. Further, the agreement provides for the payment to Mr. Cattaneo of 2.1 million euro gross as consideration for non-competition, non-solicitation and non-poaching covenants, for one year, towards the main competitors of the Company in Italy and Brazil, subject to claw-back in case of breach of the covenants (as well as the transfer of certain company goods).

Mr. Cattaneo currently holds 1.500.000 ordinary shares of the Company.

The Board of Directors started the plan for the succession of the Chief Executive Officer that, with the support of the Appointments and Remuneration Committees, will be subjected to further resolutions by the Board at a meeting already called on 27 July 2017.

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