



Consob Request, Protocol 0109908/18 of 13/04/2018 pursuant to article 114, subsection 5, of Legislative Decree No. 58/1998

Supplement of paragraph 5.3 “Role of the Board of Directors” of the 2017 Report on corporate governance and share ownership

The assessment of the organisational structure by the full board (by majority vote with 5 dissenting votes) had been previously examined by the Control and Risk Committee in the meeting held on 5 March 2018, during which two Directors declared that they believed the organisational structure to be adequate and two Directors declared that they did not; the fifth Committee member was absent. As part of the activities carried out by the Committee for this purpose, the report on a series of checks carried out by the Audit department was included, at the request of the Board of Statutory Auditors, with specific reference to the purchasing department (already part of the Business Support Office, and with effect from 18 December 2017 Procurement Unit & Real Estate, reporting directly to the Chief Executive Officer), which prompted the Committee to question the actual adequacy of the organizational structure for the supervision of purchasing activities, following the superseding of the pre-existing structure, with the creation of a unit initially entrusted temporarily to the CEO. On the one hand, Audit highlighted weaknesses in the process that recently (6 March 2018) led to the conferral of the relative responsibility onto its current manager, Michel Sibony, on part-time secondment from Vivendi, and on the other hand, the performing by the latter, before the appointment, of a role not consistent with his title in the Company (initially configured in terms of advice given to a company attributable to him), and in any case the delay with which this relationship has been formalized. At the same time, Audit

- proceeded to analyse the characteristics of the reorganization (Organizational Design provision of 18 January 2018), by comparing the previous and the current organizational structure of the Procurement Department, with the evidence of the weighing of the various organizational positions, the financial limits of the powers of attorney assigned to the managers of these positions, as well as the estimate, referring to 2018 and based on 2017 data, of the spending values for first tier departments, highlighting (in addition to some management areas for attention, including in reference to potential conflicts of interest of managers having family

ties with other company employees, qualifiable as "internal customers") areas of potential impairment of the supervision in terms of segregation of duties (which, moreover, Audit itself pointed out to have been effectively managed in terms of scope of the assigned powers of attorney);

- also highlighted to the control bodies, after the aforementioned major reorganization, first the substantial blockage and then in any case a significant slowdown in the management of purchase orders, related to the negotiation and/or renegotiation of numerous relationships with suppliers, aimed at obtaining savings.

The management, primarily in the person of the Chief Executive Officer, reported to the Committee and Board of Statutory Auditors on all these situations, illustrating the logic and purpose of the various (re)organizational operations and confirming the progressive regularization of the department's operations, following its settlement (to be considered concluded, it is added, with the appointment of the relative Senior Manager: Michel Sibony), with the reconciliation of the ageing of the orders at levels considered physiological (subject to exceptions, managed - when necessary - on a case-by-case basis). It should also be noted that the problems related to (re)negotiating relationships with suppliers do not really have anything to do with the organizational structure and its adequacy, but with managerial choices aimed at achieving savings on all existing or new contracts, in light of the company's strategic needs and priorities.

In acknowledging the clarifications received, the supervisory bodies, in light of the evidence brought to their attention by the Audit, asked the internal auditor to continue monitoring the business operating impacts attributable to the company purchase process, providing a periodic update report.

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Supplement of paragraph 5.6 “Independent directors” of the 2017 Report on corporate governance and share ownership

Director Herzog stated that she had worked as a consultant with Vivendi SA, through the company Apremont Conseil, of which she is Chair and Sole Director.

The contract was concluded in July 2015, before she became a director (which occurred in December 2015). The service referred to the OTT platform of the company Dailymotion acquired by Vivendi, which the director knew as she had already worked on this architecture as a result of previous collaborations with the company Orange. The activity ended in July 2016. Additional work regarded a series of potential M&A projects, and in particular a partnership with an Asian operator in the telecommunications and media sector, activities which continued until October 2016.

The turnover from Vivendi compared to the total company turnover, was:

- in 2015, equal to €225.500, corresponding to 64.5% of the total turnover;
- in 2016, equal to €395.000, corresponding to 94% of the total turnover.

In this regard, the director specified that:

- the company's is essentially based on her services and relations;
- the progressive increase of activities in favour of Vivendi has de facto exhausted the company's operating potential;
- the company had and has customers independently of the relationship with Vivendi and in relation to an extensive network of relationships it holds;
- the remuneration deriving from the work at Apremont Conseil represents less than 10% of her financial-equity income;
- the relationship with Vivendi has always been highlighted - scrupulously and transparently - by the interested party, and only assumed potential relevance following the declaration of control by Vivendi over TIM made by Consob, through a decision dated September 2017 and contested by the company.

Based on the aforementioned information, the board of directors, with the abstention of two directors, at its meeting held on 6 March 2018, took note of the information made available



regarding the consultancy relationship between Apremont Conseil and Vivendi in the years 2015-2016. On the basis of the information received and of the overall characteristics of the aforementioned relationship, it considered that this was not such as to affect the independent judgement of the director as its scope was not felt to be significant with respect to her overall economic and financial situation, and confirmed the existence of the independence requirement for Ms Herzog, since her appointment.