

Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to article 153 of Italian Legislative Decree No. 58/1998

To the Company's Shareholders' meeting

Telecom Italia– TIM S.p.A.

Dear Shareholders,

This report (hereinafter the “Report”) provides information to the shareholders of TIM S.p.A. (hereinafter also referred to as the Company) on the supervisory activities carried out by the Board of Statutory Auditors in the financial year 2021 and the omissions and actions subject to censure pursuant to art. 153 of Legislative Decree 58/1998 (CLF), art. 2429 of the Italian civil code, the standards of conduct for the Board of Statutory Auditors recommended by CNDCEC (the Italian Board of chartered accountants and accounting consultants), Consob notices on company controls and the indications given in the Corporate Governance Code.

This Report is prepared as required by Consob Notice no. DEM/1025564 of 6 April 2001 and subsequent amendments and supplements.

The Board of Statutory Auditors has acquired the information necessary for the performance of the tasks of general supervision assigned to it by attending meetings of the Board of Directors and the board committees, meetings with the Company management, meetings with the External Auditor, with the Supervisory Body and with the corresponding control bodies of the TIM Group companies, analysis of information flows from the competent company departments, as well as further control activities.

The Board of Statutory Auditors in office as at the date of the Report was appointed by the Shareholders' Meeting on 31 March 2021 for the financial years 2021-2023 and will therefore expire with the Shareholders' Meeting called to approve the financial statements as at 31 December 2023.

The Board of Statutory Auditors is made up of the Standing Auditors Francesco Fallacara (Chairman), Angelo Rocco Bonissoni, Francesca di Donato, Anna Doro and Massimo Gambini.

First of all, the Board of Statutory Auditors recalls that, by resolution on 26 November 2021 the Board of Directors revoked the powers granted to the previous Chief Executive Officer, Luigi Gubitosi, assigning them in part to the Chairman of the Board of Directors and in part to the newly appointed General Manager, Pietro Labriola, formerly Chief Executive Officer of TIM Brazil S.A. Following this resolution, the search for a new Chief Executive Officer was started by the Nomination and Remuneration Committee with the assistance of an external consultant.

This search was completed on 21 January 2022 by the resolution of the Board of Directors which (i) after obtaining the approval of the Board of Statutory Auditors on the co-option resolution, co-opted Pietro Labriola, who retained the position of General Manager (ii) appointed the said Director, Pietro Labriola, as Chief Executive Officer of TIM, and (iii) revoked the powers granted to the Chairman, assigning them to the new Chief Executive Officer, with the exception of the Communication power relating to the indicative non-binding expression of interest received from Kohlberg Kravis Roberts & Co. L.P. (“KKR”).

The Board of Statutory Auditors also notes that, at the date of this Report, the health emergency caused by the COVID-19 infection (so-called "COVID-19") is still ongoing.

In this regard, over the year 2021, the Board of Statutory Auditors continued to monitor the evolution of the relative regulatory framework and the rulings issued by the competent Authorities to deal with the ongoing epidemiological emergency, insofar as related to the supervisory activities it is responsible for with reference to TIM. The Board has received constant information from the Company on the actions taken to safeguard the health of its employees in compliance with the

emergency regulations in force at the time. With regard to the above, there are no items of attention to be submitted to the Shareholders' Meeting of the Company.

1. CONSIDERATIONS ON THE 2021 FINANCIAL STATEMENTS AND ON TRANSACTIONS UNDERTAKEN BY THE COMPANY OF MAJOR IMPACT ON ITS REVENUES, FINANCES AND ASSETS, AND THEIR COMPLIANCE WITH THE LAWS AND THE COMPANY ARTICLES OF ASSOCIATION

It should be noted that TIM's financial statements have been drawn up in accordance with the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB), endorsed by the European Union, and in force as at 31 December 2021, as well as with the provisions issued in implementation of article 9 of Legislative Decree no. 38/2005. The financial statements also include the disclosures required by Law 124/2017 (Article 1, subsections 125-129).

The Directors' Report on Operations summarises the main risks and uncertainties and gives an account of the business outlook.

The Company's financial statements comprise the Statement of Equity and Financial Position, the Income Statement, the Comprehensive Income Statement, the Statement of Changes in Equity, the Cash Flow statement and the Notes to the Financial Statements.

The financial statements are accompanied by the Directors' Report on Operations, the Report on Corporate Governance and Share Ownership drawn up in accordance with Article 123-bis of the CLF, as well as the Consolidated Non-financial Statement pursuant to Legislative Decree no. 254 of 30 December 2016, drawn up by the Company in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) - Comprehensive option. The financial statements are also accompanied by the Report on the Remuneration

Policy and Compensation Paid, consisting of the Remuneration Policy 2022 ("2021 Policy") and report on compensation paid in 2021.

Tim's separate financial statements and consolidated financial statements 2021 contain the required statements of compliance by the Chief Executive Officer and the Executive responsible for preparing the corporate accounting documents.

The consolidated financial statements of Tim for the financial year 2021 are summarised below:

| | |
|----------------------------|-------------------|
| Revenues | € 15,316 million |
| Operating profit (EBIT) | - € 3,529 million |
| Profit/(Loss) for the year | - € 8,400 million |

Adjusted net financial debt as at 31 December 2021 amounted to 22,187 million euros compared to 23,326 million euros on 31 December 2020.

The parent company, Tim S.p.A., closed the year with a loss of 8,314.0 million euros (profit of 7,161 million euros in 2020).

As indicated in the consolidated report on operations, and on the basis of the information received and as a result of the analyses conducted, it emerged that the transactions carried out by the Company in 2021 which have major impact on revenues, finances and assets, including transactions performed through companies in which the Company has a direct or indirect stake, are essentially made up as follows:

FiberCop.

The project to broaden optic fibre coverage nationwide aims to make a decisive contribution to reducing the digital divide in Italy, speeding up the process of customers switching from copper to fibre.

This operation is being carried out by FiberCop S.p.A., which was set up through the transfer of a business unit by TIM S.p.A. (58%) and purchase of capital by

KKR (via Teemo Bidco Sarl through the purchase of 37.5%) and Fastweb (4.5% through the merger by incorporation of Flash Fiber).

Specifically, the following operations were completed on 31 March 2021:

- transfer of TIM's secondary network;
- transfer of Fastweb's equity investment in Flash Fiber S.r.l., the joint venture owned by TIM (80%) and Fastweb (20%);
- merger of Flash Fiber into FiberCop contributing the fibre optic network already deployed in 29 towns;
- purchase by Teemo Bidco Sarl of 37.5% of FiberCop from TIM.

Specifically, the company's purpose is to design, build and operate infrastructure for the provision of wired access in end-user premises to telecommunications operators, with the aim of reaching 75% of households in the areas referred to as grey and black, by 2025.

Under the Master Service Agreement between Tim and FiberCop, which regulates the provision of mutual services, both parties have made certain commitments: Tim, in particular, has made annual commitments to FiberCop in terms of the minimum purchase of services and migration of the customer base from copper to fibre optic and the implementation of the horizontal FTTH network. With regard to these commitments, the agreements provide for penalties to be paid by each party in the event that they are not observed and rights of Teemo BidCo, as a minority shareholder, to safeguard any failure by Tim to honour the commitments contractually undertaken, all in line with market practices. These penalties for the parties and rights of the minority shareholder, which were assessed during the preparation of the financial statements and are subject to reconsideration at the end of each accounting period, have been monitored by the Board of Statutory Auditors.

Cloud Services

The plan to extend TIM's leadership in cloud services and seize business opportunities in the market, including in terms of overall security, by transferring all the cloud assets and expertise already present in various TIM business functions to Noovle S.p.A.

Specifically, the operation follows on from a collaboration agreement with Google Cloud for the creation of innovative public, private and hybrid cloud services to enrich TIM's range of technological services.

The operation is expected to accelerate cloud sales on the market, ensuring the optimisation of infrastructure and operations, while also enabling further development of cloud expertise and achieving important sustainability goals.

The transactions indicated above are explained in detail in the notes to the consolidated financial statements of the TIM Group and the notes to the separate balance sheet of TIM S.p.A., as well as in the report on operations for the year 2021.

The Board of Statutory Auditors has verified that the above transactions comply with the law, the Company bylaws and the principles of correct administration, and has made sure that they were not manifestly imprudent or hazardous, in conflict with the resolutions adopted by the Shareholders' Meeting or likely to compromise the integrity of the corporate assets.

It is also pointed out that following year end, the following significant events took place:

TIM S.A.

The offer submitted by TIM S.A., the Brazilian subsidiary of the TIM Group, for the purchase of the mobile business of the Oi Group, together with Telefonica Brasil S.A. (VIVO) and Claro S.A., has been approved by the antitrust authority CADE (Conselho Administrativo de Defesa Economica).

This decision follows the decision of the Anatel Regulatory Authority, which, on 1 February 2022, had issued a favourable opinion on the transfer of control of Oi's mobile business.

The completion of this agreement is subject to the achievement of certain conditions set forth in the sales contract.

Realignment of tax values

As at 31 December 2020, TIM has benefited from the possibility of realigning the tax values to the greater value of the assets booked, specifically the value of goodwill, as envisaged by Decree Law 104/2020, Art. 110, subsections 8 and 8 bis.

In its original formulation, from 2021 this rule would have allowed the deduction of the new value recognised for tax purposes over 18 financial years, subject to payment of a 3% substitute tax on the realigned value.

As a result of the above, the Company legitimately recognised deferred tax assets ("DTA") of 6.6 billion euros in the financial statements for the year ended 31 December 2020, so as to reap the benefits in terms of lower IRES and IRAP.

As known, article 1 of Law no. 234 of 30 December 2021 amended the above-mentioned art. 110 of Legislative Decree no. 104/2020, stipulating that *"the deduction for the purposes of income tax and regional tax on productive activities of the higher value charged ... is made, in any event, to an extent not exceeding, for each tax period, one fiftieth of said amount"*, and no longer one eighteenth.

It should be borne in mind that the new provision, alternatively in derogation of the above, allows parties who have benefited from the realignment to waive said realignment (with the right to reimbursement of the first instalment of the substitute tax paid) or maintain the deduction over 18 years, paying a further substitute tax to the extent of that established by article 176, subsection 2-ter, of Presidential Decree no. 917/1986 (up to a maximum of 16%).

Due to the extension of the tax deduction period to 50 years, it became necessary to assess the recoverability of the entire amount recorded as DTA as at 31 December 2020 in the 2021 financial statements. The Company therefore decided to limit the recognition to deferred tax assets relating to the next 25 years only, with a write-down of 2,766 million euros for IRES, equal to 50% of the deferred tax assets recorded in 2020, and 1,059 million euros for the remaining amount of the IRAP deferred tax assets recognised.

Back to Basic

At its meeting on 2 March 2022, the Board of Directors approved a new 2022-2024 industrial plan, prepared by the Company with the assistance of external consultants and submitted to the financial community on 3 March 2022.

KKR Expression of interest

On 13 March 2022 the Board of Directors met to evaluate the indicative and non-binding expression of interest sent to the Company by the US private equity fund "KKR" and unanimously resolved to issue a mandate to the Chairman and the Chief Executive Officer to initiate a formal discussion with KKR, in addition to those already undertaken informally in recent months by the consultants, with a view to achieving maximum value for Tim, also with reference to any other interested parties.

Russia – Ukraine conflict

In February 2022, Russia launched a military operation on Ukrainian territory, the consequences of which on the global political economic balance are currently unmeasurable.

The European Union and many other countries have put in place economic sanctions against Russia and Belarus, which are particularly stringent and others may be decided later.

For the Tim Group, and in particular for Telecom Italia Sparkle S.p.A, there may be repercussions on commercial relations, the collection of trade receivables and assets in the country, the variation of which, although dependent on how the conflict develops, is not currently considered significant by the Company.

The invasion of Ukraine by Russia opens up economic implications which could be extreme in relation to energy supply. The electricity consumed by Tim depends almost entirely on suppliers and the Tim Group is therefore naturally exposed to fluctuations in energy costs that could obstruct the achievement of business targets in terms of reducing margins and cash flows. To mitigate this exposure, among its

ongoing actions for the year 2022, Tim has hedged the bulk of its fixed-price requirements.

In relation to the Russia-Ukraine war, Tim, which is acting in coordination with the Agency for National Cyber Security (ACN), has raised the alert level in relation to Cyber risk.

2. REPORT OF ANY ATYPICAL AND/OR UNUSUAL TRANSACTIONS, INCLUDING INTRA-GROUP

The Board of Statutory Auditors found the following atypical and/or unusual third party transactions over the financial year 2021:

- provision for a total of 548 million euros relating to the onerous nature of certain media content contracts, mainly referring to the contract signed with DAZN to broadcast football matches from the Italian Serie A Championship for the three football seasons 2021/2022 - 2022/2023 - 2023/2024; the Board of Statutory Auditors' analyses, in agreement with the corporate bodies, led to the conclusion that, due to several specific contractual commitments and some phenomena that have prevented the number of subscribers envisaged in the original investment plan from being reached, the contract is not expected to reach the "break-even" point for the three-year period and cover costs from revenues. Initial analyses carried out by the Internal Audit department reveal inadequate information flows to the decision-making bodies and a consequent anomaly in the decision-making processes during approval of the project;
- contracts for the sale of goods with deferred delivery, effective as of FY 2020.

During the fourth quarter of FY 2021, at the instigation of the Board of Statutory Auditors, TIM conducted in-depth reviews and analyses regarding the accounting of the execution of these commercial agreements for such goods with deferred delivery. These analyses resulted in a restatement of the time distribution of revenues and purchases of materials and services starting from FY 2020 up to the third quarter of FY 2021. As a result of the time reallocation, the Company has reversed revenues and related purchase costs related to the first three quarters of FY 2021. For the year 2020, the Company considered

these effects to be immaterial; the Independent Auditor did not make any comments.

All the above operations are commented on in the Directors' Report on Operations and the related economic and financial effects can be found in Note 2 to the 2021 Consolidated Annual Financial Report. The Board analysed the above operations and the related agreements, bringing to the attention of the Board of Directors the shortcomings and weaknesses in the decision-making process, the monitoring of the supply chain and the accounting process, as well as the economic rationale and social interest of the entire operation. The above-mentioned shortcomings and weaknesses were also reported by the Board of Statutory Auditors to Consob pursuant to art. 149 of the CLF.

3. ASSESSMENT OF THE ADEQUACY OF THE INFORMATION PROVIDED IN THE DIRECTORS' REPORT ON OPERATIONS CONCERNING ATYPICAL AND/OR UNUSUAL TRANSACTIONS, INCLUDING INTRA-GROUP AND RELATED PARTY TRANSACTIONS.

Having received the binding opinion of the Related Parties Committee and the Board of Statutory Auditors, at the meeting on 23 June 2021 the Board of Directors approved the updated version of the internal regulations on the Management of Related Party Transactions, incorporating the changes made following Consob Resolution no. 21624/2020, which came into force on 1 July 2021.

The Company's financial statements provide information on Related Party transactions and the Board of Statutory Auditors, in carrying out its activities, has not found, at least up to the date of this report, any atypical and/or unusual transactions carried out in FY 2021 with Related Parties (including Group companies). However, it notes that for the operations in question there is a need to strengthen internal controls for an increasingly improved formalization of the agreements stipulated. In this context however, the Board of Statutory Auditors believes that the report on the Company's transactions with related and intra-group parties, provided in the notes to the separate financial statements of TIM S.p.A. and the consolidated financial statements of the TIM Group, should be considered adequate.

The transactions with Directors' interests or with other Related Parties, were subjected to the transparency procedure set out in the applicable regulations.

The Board of Statutory Auditors acknowledges that the information relating to the principal intra-group transactions and transactions with other related parties executed in 2021, and the description of their characteristics and related economic effects, is contained in the notes to the separate financial statements of TIM S.p.A. and to the consolidated financial statements of the TIM Group.

It should be noted that, based on the relative assessments carried out by the Related Parties Committee during the second half of 2021, Cassa Depositi e Prestiti and its subsidiaries were included in the scope of related companies.

Over FY 2021, there were both intra-group and non-intra-group Related Party transactions.

Intra-group transactions analysed by the corporate bodies in 2021, the effects of which are reported in the financial statements, are all ordinary in nature, as they essentially consist of transactions with no significant interests of other non-intra-group Related Parties. These were regulated applying normal conditions determined according to standard parameters, reflecting the actual use of the services and were carried out in the interest of Group Companies, as they were aimed at optimising use of the Group's resources.

The documentation submitted to the company bodies shows that the transactions with Related Parties other than intra-group transactions we examined are also of an ordinary nature (since they fall within the ordinary exercise of operating activities or related financial activities) and/or concluded at conditions equivalent to market or standard conditions and are in the interest of the Company. These transactions have been periodically reported to us by the Company.

Intra-group transactions and Related Party transactions of an ordinary or recurring financial nature are of marginal importance in terms of number and amount.

We attended the meetings of the Related Parties Committee, during which it expressed a favourable opinion on some related party transactions of “lesser importance”, having assessed the Company's interest in carrying out the transaction as well as the appropriateness and advantage of the relative conditions. The Board of Statutory Auditors had no reason to raise objections as to whether all the transactions examined by it during the reporting period were in the Company's interest.

For the sake of completeness, however, it should be noted that analyses of some contracts with Related Parties, and/or counterparties of Related Parties, entered into in 2021 are in progress, for which the Board of Statutory Auditors needs to examine in greater detail certain contractual characteristics and effects.

The effects of all of the above related party transactions for the year 2021 are fully reflected in the financial statements.

We have monitored compliance with the Related Parties Procedure and the correctness of the process followed by the Board and the relevant Committee, on the subject of qualification of Related Parties - agreeing, inter alia, with the assessments expressed by the RPT Committee regarding the qualification of Tim's Related Parties and we have nothing to report.

4. REMARKS AND PROPOSALS ON THE REPORTING REFERENCES AND NOTES CONTAINED IN THE REPORT OF THE INDEPENDENT AUDITOR.

On 16 March 2022, the independent auditor EY S.p.A. (hereinafter also referred to as “EY”), issued the reports pursuant to art. 14 of Legislative Decree no. 39/2010 and art. 10 of Regulation EU no. 537/2014, attesting that the separate financial statements of TIM S.p.A. and the consolidated financial statements of the TIM Group as at 31 December 2021 provide a truthful and correct representation of the equity and financial position, the economic results and cash flows for the year ended as at that date, in compliance with the International Financial Reporting Standards adopted by the European Union, as well as with the provisions issued in implementation of Article 9 of Legislative Decree no. 38 of 28 February 2005.

In these documents, the auditing firm EY - pursuant to art. 154-ter CLF, as amended by art. 25 of Law no. 238 of 23/12/2021 - also issued its opinion on the compliance of the draft financial statements and the consolidated financial statements, included in the annual financial report, with the provisions of the Delegated Regulation (EU) 2019/815 of the Commission of 17 December 2018, based on the auditing standard (SA Italia 700B).

As part of its general duty to monitor compliance with the law and the Bylaws, the Board notes that the company has complied with the provisions of the said EU Regulation No. 2019/815.

In the report on the consolidated financial statements as at 31 December 2021, the Auditor concludes as follows *"in our opinion, the consolidated financial statements provide a truthful and correct representation of the equity and financial position of the Group as at 31 December 2021, the economic results and cash flows for the year ended as at that date, in compliance with the International Financial Reporting Standards adopted by the European Union, as well as with the provisions issued in implementation of Article 9 of Legislative Decree no. 38 of 28 February 2005"*.

In the report on the separate financial statements as at 31 December 2021, the Auditor concludes as follows *"in our opinion, the annual financial statements provide a truthful and correct representation of the equity and financial position of the Company as at 31 December 2021, the economic results and cash flows for the year ended as at that date, in compliance with the International Financial Reporting Standards adopted by the European Union, as well as with the provisions issued in implementation of Article 9 of Legislative Decree no. 38 of 28 February 2005"*.

On 16 March 2022, EY also issued the additional Report for the Committee for Internal Control and Audit on the results of the external audit of the accounts, which also includes the declaration on the independence of the external auditor.

In short, the findings of the above report were as follows:

- *"In our professional opinion, having performed the relative tasks, we consider the directors' approach of considering that there are no uncertain factors affecting the going concern assumption, such as should be disclosed in the*

financial statements, consistent with the context of the company and the evidence gathered.

- *During the course of the audit of the Company's financial statements and the Group's consolidated financial statements for the year ended 31 December 2021, no significant shortcomings in the internal control system for financial reporting and/or the accounting system were identified.*
- *During the audit of the Company's financial statements and of the Group's consolidated financial statements closed on 31 December 2021, no significant issues were identified in respect of cases of effective or alleged non-conformity with laws and regulations or statutory provisions.”*
- *As stated in Note 2 to the Consolidated Financial Statements, during the fourth quarter of FY 2021, with reference to certain commercial agreements involving the sale of goods with deferred delivery, the Company restated its revenues and costs for purchases of materials and services during the first, second and third quarters of 2021 as a result of certain accounting revisions. Similar transactions in 2020 had generated non-material economic effects.*

The Board of Statutory Auditors will inform the Company's Board of Directors of the results of the external audit, to this end sending across the additional report complete with any observations.

The independent auditor also considers that the report on operations and the information in the Report on corporate governance and share ownership indicated in art. 123-bis, subsection 4 of the CLF are consistent with the TIM S.p.A.'s financial statements for the period and the consolidated financial statements for the TIM Group at 31 December 2021.

5. REPORTS ON THE PRESENCE OF ANY COMPLAINTS PURSUANT TO ARTICLE 2408 OF THE ITALIAN CIVIL CODE REGARDING INITIATIVES UNDERTAKEN AND THEIR OUTCOMES

From the date of the previous report (10 March 2021) until the date of this Report (16 March 2022), one report was received from Company shareholders, made in accordance with art. 2408, subsection 3 of the Civil Code, more specifically on 15 March 2022. The Board will proceed with the appropriate enquiries. As at the date of this Report, there are no items to report to the Shareholders' Meeting.

6. REPORT ON THE PRESENCE OF ANY COMPLAINTS REGARDING INITIATIVES UNDERTAKEN AND THEIR OUTCOMES

A procedure is in place regulating the methods by which reports can be made to the control body. There are instructions on the About Us section of the Company's website (Company Bodies – Board of Statutory Auditors – Role, tasks and responsibilities), for sending such reports - in paper or electronic format - to the Board of Statutory Auditors of the Company.

The Company also has a Whistleblowing Procedure, updated also following the assignment of the role of Supervisory Body to a separate body from the Board, which envisages the institution of information channels able to guarantee the receipt, analysis and processing of reports made relating to internal control problems, corporate information, administrative liability of the Company, fraud or in any case behavioural anomalies in reference to TIM staff or third parties, in violation of laws and regulations and/or non-conformity with the Code of Ethics and the Organisational Model 231, as well as with the system of rules and procedures in force in the TIM Group, submitted by employees, members of company bodies or third parties, even anonymously.

Since the date of the previous report (10 March 2021) and up to the date of this report (16 March 2022), 13 reports (24 in the previous year) have been received,

mostly regarding technical problems and shortcomings of a commercial and administrative nature.

The Board of Statutory Auditors investigated all these reports appropriately, with the assistance of the competent Company departments, instructing such departments where necessary to adopt appropriate solutions, but no irregularities to be reported to the Shareholders' Meeting emerged. The Board of Statutory Auditors has welcomed the Company's efforts to promote initiatives aimed at developing a company culture characterised by correct behaviour and has repeatedly indicated to the Board of Directors the importance of focusing on correct behaviour at every stage of Company management, to such purpose promoting specific programmes aimed at its internal structure.

7. REPORT ON ANY APPOINTMENTS CONFERRED ON THE INDEPENDENT AUDITOR AND THE CORRESPONDING COSTS

In 2021, the Board of Statutory Auditors, together with the Company departments, verified and monitored the independence of the Auditor as required by the relevant laws and regulations. Specifically, with regard to services other than auditing (so-called "non-audit services") rendered by the Auditor to the Company. The Company procedures, which also extend to its subsidiaries, require that each non-audit assignment be submitted for prior assessment and binding approval by the Company's Board of Statutory Auditors.

During the 2021 financial year TIM S.p.A. appointed EY S.p.A. to undertake various tasks other than audits of financial statements, the fees for which, before VAT and out-of pocket expenses, are summarised below:

| EY S.p.A. | in Euro |
|---|----------------|
| <ul style="list-style-type: none">• Issue of comfort letters connected with the renewal of the Euro Medium Term Notes Programme and relating to the issue of the Sustainability Bond; | 80,000.00 |

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|---|----------------------------|
| <ul style="list-style-type: none"> Review of the working papers of other independent auditors relating to INWIT S.p.A. on the Consolidated financial report as at 30.06.2021 | 25,000.00 |
| <ul style="list-style-type: none"> Verification services related to obtaining specific tax or contribution regimes: <ul style="list-style-type: none"> relating to the statement of expenses incurred for R&D and technological innovation aimed at obtaining tax credits for TIM S.p.A.; for compliance approval pursuant to art. 35 of Legislative Decree no. 241 of 9 July 1997 on the tax return of TIM S.p.A. and the domestic tax consolidation statement; | 90,000.00 3,000.00 |
| <ul style="list-style-type: none"> Other audit services (voluntary appointments): <ul style="list-style-type: none"> relating to the assurance and assessment of the Non-Financial Statement (carried out according to ISAE 3000 and ISAE 3410); for the complete examination of the European Single Electronic Format ("ESEF") disclosure in reference to the consolidated financial statements of TIM S.p.A. as at 31 December 2020 (carried out in accordance with standard ISAE 3000 (Revised)); | 76,000.00 20,000.00 |
| <ul style="list-style-type: none"> Miscellaneous certification services: : appointment granted in accordance with International Standard on Assurance Engagement 3402 ("ISAE 3402") for the issue of the SOC 1 report to the client Acciaierie d'Italia S.p.A. for the provision of services by TIM | 65,000.00 |
| Overall total | 359,000.00 |

In addition, during the period between 1 January 2022 and the date of this Report, TIM S.p.A. conferred upon EY S.p.A. the following additional appointments, other than audits of financial statements, the fees for which, before VAT and out-of-pocket expenses, are summarised below:

| EY S.p.A. | in Euro |
|---|----------------|
| <ul style="list-style-type: none"> Review of the working papers of other independent auditors relating to INWIT S.p.A. on the Consolidated financial report as at 31/12/2021 | 45,000.00 |
| <ul style="list-style-type: none"> Other auditing services: | 142,000.00 |

| | |
|--|-------------------|
| <ul style="list-style-type: none"> • additional audit activities relating to the technological migration of certain TIM applications and infrastructures relating to Financial Reporting; • additional audit engagement related to the obligation, as of FY 2021, for issuers to prepare their financial reports, in accordance with ESEF (drafting in XHTML format and "tagging" the information included in the ESEF Disclosure using iXBRL language), as required by Directive 2013/50/EU. The Group Auditor's assurance activities are based on Auditing Standard (SA Italia) 700B | 20,000.00 |
| Total | 207,000.00 |

In accordance with the current “Guidelines for the Conferral of Appointments on Independent Auditors”, the conferral of the above appointments had been approved in advance by the Board of Statutory Auditors.

8. REPORT ON ANY APPOINTMENTS CONFERRED ON PARTIES CONNECTED BY CONTINUING RELATIONSHIPS WITH THE INDEPENDENT AUDITOR AND THE CORRESPONDING COSTS

During FY 2021 TIM S.p.A. did not confer any appointment on subjects bound by continuous relationships with EY S.p.A. and/or companies belonging to the latter’s network.

9. REPORT ON THE EXISTENCE OF OPINIONS ISSUED PURSUANT TO LAW DURING THE FINANCIAL YEAR

The Board of Statutory Auditors expressed its favourable opinion, pursuant to art. 2389, subsection 3 of the Italian Civil Code, with regard to the proposed remuneration package for the Chairman and the Chief Executive Officer, on 16/4/2021 (Board of Statutory Auditors) - 28/4/2021 (Board of Directors).

The Board of Statutory Auditors also expressed a favourable opinion, pursuant to the Company's Corporate Governance Principles, on the following proposals:

1. appointment of the Executive responsible for preparing the corporate accounting documents, on 01/04/2021;
2. integration of the composition of the Supervisory Board 231, with a member of the Board of Statutory Auditors;
3. appointment and remuneration of the Head of the Audit Department, on 16/4/2021 (Board of Statutory Auditors) - 28/4/2021 (Board of Directors);
4. activity plans of the Audit, Compliance and IT& Security Compliance departments, on 28/04/2021;
5. reorganization of the compliance oversight, on 28/4/2021;
6. reorganization of the privacy oversight, on 28/4/2021;
7. modification of the MBO score card of the Head of the Compliance Department, dated 23/6/2021;
8. remuneration of the LID, on 17/12/2021.

In addition, on 1/4/2021 the Board of Statutory Auditors ascertained that its members complied with the legal requirements; on 16/4/2021 and 22/2/2022 it verified the correct application of the criteria and procedures adopted by the Board of Directors to ascertain the Directors' requirements.

In 2021, the Head of the "Internal Audit" department changed, taking office as of 14 June 2021, with the favourable opinion of the Board of Statutory Auditors. Despite this situation of turnover, the Board of Statutory Auditors was able to view and monitor the progress of the Audit plan for the year 2021.

The Head of Internal Audit attended all meetings of the Board of Statutory Auditors on a permanent basis, ensuring a continuous exchange of information on the activities in progress, the related results and the presence of any significant facts for the Company and its organisational structure.

The Board of Statutory Auditors has also reviewed and expressed, pursuant to the Corporate Governance Code, a favourable opinion on the 2022 Audit Plan, and has acknowledged the structure currently in place at the Company as to its adequacy to carry out the aforementioned 2022 Audit Plan in an orderly and appropriate manner.

The Board of Statutory Auditors also examined the Compliance Plan, which is consistent with that of previous years, and the adequacy of the Compliance department.

In the light of the new plans announced by the Company, the Board of Statutory Auditors intends to constantly monitor the adequacy of the Internal Audit and Compliance departments in relation to the new organisational structures.

10. REMUNERATION POLICIES

The Board of Statutory Auditors examined the document containing the architecture of the incentive system (MBO) 2022, which envisages "entry gates" based on principles of fairness together with group economic indicators, specific department objectives (aligned with 2021) individual objectives and an extension of the ESG objectives (from 10% in 2021 to 22% in 2022), issuing, to the extent necessary and with regard to the remuneration of the Chief Executive Officer, a favourable opinion.

In addition, the Board of Statutory Auditors took note of the *"Report on the remuneration policy and the compensation paid"* prepared pursuant to art. 123-ter of the CLF, containing the terms of the remuneration policy to be submitted to the Shareholders' Meeting called for 7 April 2022 and approved by the Board of Directors during the meeting on 2 March 2022, verifying that the procedure adopted was consistent with Company procedures and the relative regulations, issuing, as far as necessary, its favourable opinions to the Board of Directors.

11. REPORT ON THE FREQUENCY AND NUMBER OF MEETINGS OF THE BOD, EXECUTIVE COMMITTEE AND BOARD OF STATUTORY AUDITORS

In 2021, the Company's Board of Directors held 17 meetings, at which the Board of Statutory Auditors was always present, also in videoconference.

In FY 2021, the Control and Risk Committee met 22 times, the Nomination and Remuneration Committee met 21 times, the Related Parties Committee met 13 times, the Sustainability Committee met 4 times and the Committee for examining the "KKR" expression of interest met 5 times.

The Board of Statutory Auditors attended the meetings of all board committees, also by videoconference, supervising the relevant activities.

During 2021, there were 46 meetings of the Board of Statutory Auditors, 7 of which were held jointly with the Control and Risk Committee.

In 2022 and up to the date of approval of the Report 19 meetings have been held. The majority of the members of the Board of Statutory Auditors attended (in audio conference) the Shareholders' Meeting held on 31 March 2021 in the manner permitted by the exceptional regulations set out in Decree Law no. 18 of 17 March 2020.

12. REMARKS ON COMPLIANCE WITH THE PRINCIPLES OF CORRECT ADMINISTRATION

The Board of Statutory Auditors supervised compliance with the principles of correct administration, by attendance at the meetings of the Board of Directors and board committees, meetings with the executive responsible for preparing the corporate accounting documents, the Head of the Audit Department, the Group Compliance Officer, the Head of the IT & Security Compliance function and by means of interviews with the Company management and the acquisition of information. In particular, the Board acquired information about the TIM anti-bribery management system for the purposes of standard UNI ISO 37001, which reveals substantive compliance with the requirements indicated by the standard.

From the start of the new term of office, the Board of Statutory Auditors has supervised the proceedings followed in the deliberations of the Board of Directors and has ascertained that the management choices complied to the applicable rules (substantial lawfulness), adopted in the interests of the Company, compatible with the resources and the company's assets and adequately supported by information, analysis and audit processes, including with recourse, when deemed necessary, to advice from committees and external professionals.

In the course of its ordinary and six-monthly meetings with the Chairman of the Board of Directors and the Chief Executive Officer, the Board of Statutory Auditors presented its own assessments of the Company's governance system. In particular, it pointed out that, in relation to the activities carried out and the various feedback received, it believes that the structure-model of Governance adopted by the Company, together with some applications of the same, require further implementation-revision with regard to the Company's operational evolution so as to make it more suitable for controlling compliance with the principles of correct and efficient administration in operational practice.

The Board of Statutory Auditors has thus indicated, inter alia, the need to ensure the completeness and timely provision of the material supporting Board resolutions and the clarity of such material, via standardization of the documentation. This should allow Board members to immediately identify and classify the matters to be discussed, ensure that analysis of the various risks inherent to management choices are always present by constantly involving the Enterprise Risk Management (ERM) department, and organisation of the meetings to ensure an adequate level of concentration is maintained. It has also recommended monitoring of the information flows between the Company Bodies, between the members of the same and the control departments as well as the adoption of systems allowing continuous monitoring over time of the activities and projects subject to resolution by the Board of Directors.

13. REMARKS ON THE ADEQUACY OF THE ORGANISATIONAL STRUCTURE

The Board of Statutory Auditors has monitored the evolution of the TIM Group's organisational structure (also in accordance with golden power regulations, as per the provisions of the Decrees of the President of the Council of Ministers of 16 October 2017 and 2 November 2017), defined in accordance with, on the one hand, the organisational and managerial autonomy of the Parent Company and its subsidiaries and, on the other, the exercising of direction and coordination by the Company with regard to the direct or indirect subsidiaries.

More specifically, the Board of Statutory Auditors has monitored the principal changes in the organisational structure of the TIM Group through meetings held with the Head of the Human Resources & Organisational Development Department, the Heads of the main corporate structures and by acquiring the organisational communications which had produced an impact on the first and second tiers that report directly to TIM's executive directors or on the macro-organisation of the Group's companies.

The Board of Statutory Auditors notes that, at present, the Company's organisational structure is evolving both as a result of the replacement of some top management tiers and a structural review and reorganisation of the departments. In the light of the analyses carried out during the year, the Board of Statutory Auditors notes the need to adapt and strengthen some company departments so as to ensure they are fully adequate, with particular reference to the management control and procurement departments and the departments responsible for corporate sustainability and drafting of the Non-Financial Statement, in the light of the increasing obligations imposed by current legislation.

14. REMARKS ON THE ADEQUACY OF THE INTERNAL CONTROL SYSTEM, IN PARTICULAR ON THE ACTIVITY OF THE INTERNAL CONTROL MANAGERS, AND HIGHLIGHTING OF ANY CORRECTIVE ACTIONS UNDERTAKEN AND/OR TO BE UNDERTAKEN

The Board of Statutory Auditors has acknowledged the overall assessment of the internal control and risk management system by the new Head of the Audit Department, the conclusions of which are set forth below: " *The results of the analysis can be summarised as follows:*

- *considering the current organisational structure and risk profile of the company, as a whole, TIM's Internal Control and Risk management System is designed and structured consistently with Corporate Governance Code recommendations, and is aligned with the main reference frameworks (i.e. «three line model» and «CoSO framework»), though displaying areas of improvement;*
- *the information reported in the information flows received by the second level control functions and by a selection of other players in the ICRMS of TIM, on which the Audit Department relied for the purposes of this report, do not highlight any critical aspects that could compromise the effectiveness of the system itself;*
- *the audit activities conducted on specific organisation areas during the year (based on the risk-based Audit Plan and risks pointed out by Top Management and Control Bodies) showed areas of improvement for which action plans have been defined by management. The implementation rate for the action plans formulated based on audit activities in the period 2019-2021 is 90% to date and is monitored continuously and TIM Control Bodies are kept informed in the periodical Audit Department reports.*

In the light of the above, the necessary areas of improvement identified are not such as to compromise the overall adequacy of TIM's Internal Control and Risk Management System."

Although the Board of Statutory Auditors agrees with the analyses carried out by the department, it believes that TIM's Internal Control and Risk Management

System may currently be considered "*mostly satisfactory*", and therefore that it has achieved a state of adequacy, although this should be completed by implementing the improvement measures suggested by the Audit Department and the Board itself. This is the result of the findings of the Board of Statutory Auditors in its constant monitoring of the System of Internal Controls, analysing as the occasion arises the results of the Audit Reports, Compliance monitoring, as well as the results of its own specific in-depth analyses, including, in the past year, the operations described in Paragraph 2 above, which revealed, among other things, anomalies and shortcomings in terms of the correct flow of information within the company and with the control departments.

The Board of Statutory Auditors notes, however, that following the reports made to the Company's bodies and offices, some corrective action was taken during the FY 2021, in particular in the reporting to the Board of Directors and to the Board Committees and in a more integrated involvement of the ERM and ORM Departments.

For the purposes of the opinion on the internal control system expressed above, the Board of Statutory Auditors has also monitored the work carried out by the main players, also with reference to specific aspects, such as special powers ("golden power"). In particular, insofar as coming under its purview, the Board of Statutory Auditors also monitored the improvements made and action taken to mitigate risks, in some cases requesting specific, additional strengthening of the control measures.

It is also noted that the Company has voluntarily adhered to the Cooperative Compliance regime and that the Board has acquired the draft Report prepared by the Head of the Reporting and Fiscal Monitoring Department, in accordance with art. 4, subsection 2 of Italian Legislative Decree no. 128/2015, the purpose of which was to illustrate to the Board of Directors, as part of the Tax Risk Management and Control System (the so-called

Tax Control Framework) adopted by the Company, the audits carried out in 2021, the findings and remediation measures put in place, and the activities planned for 2022. Said draft report will be finalized and subsequently presented to the Board of Directors once the meeting between the Company and the Office of Cooperative

Compliance for formalization of the Notice of Closure of the Proceedings pursuant to point 6.1 of the Provision of the Director of the Italian Revenues Agency Prot. no. 101573 of 26/05/2017, has been held.

The Board of Statutory Auditors has exchanged information with the corresponding control bodies of the major Italian subsidiary companies. It also met with the Audit Committee of Telecom Italia Finance S.A..

The internal control and risk management system also includes the Organisational Model 231, designed to prevent the commission of offences that could result in liability for the Company, pursuant to Legislative Decree No. 231/2001. The Organisational Model 231 has been adopted by domestic subsidiaries of the Group as well as by TIM.

The Board of Statutory Auditors acquired information from the Supervisory Body, which comprises a member of the Board, at specific meetings as well as from an examination of the six-monthly reports prepared by the latter, which indicate an organisational structure that could be improved in certain areas such as procurement.

The latest version of the Organisational Model 231 was approved on 10 November 2020 and transposes the regulatory changes introduced by Legislative Decree No. 75 of 14 July 2020 (implementing the so-called PIF Directive), which led to an expansion of the predicate offences.

With reference to the GDPR system, the Board of Statutory Auditors notes that: (i) in 2021 Tim changed its organisational structure, (ii) a new DPO was appointed, (iii) the DPO's annual report - incorporated in the SCIGR Report and discussed during the Control and Risk Committee meeting of 25/2/2022 - indicates the substantive maintenance and effectiveness of the specific organisational model.

With reference to the cases of data breach detected, which occurred in July and August 2021 and were the subject of notification to the Data Protection Authority,

the Board of Statutory Auditors notes and acknowledges that as at the date of this report no sanction has been issued by the former.

In 2021 TIM also launched a "Technology plan" involving the launch of a major IT transformation project, the accounting effects of which are illustrated in the Director's Report on operations and which led to the deactivation of 102 applications and the activation of 33 new applications. At the same time, it has modified the organisational structure of the IT department, which is now part of the compliance area.

In 2021, the Company continued the training programme for its departments on the protection of personal data and the general principles of the GDPR such as data subject rights, data transfer, data breach, governance and individual employee accountability.

The TIM Group has adopted an Enterprise Risk Management Model (ERM) which enables risks to be identified and managed in a homogenous way within the Group companies, highlighting potential synergies between the players involved in the assessment of the internal control and risk management system. The process is managed by the Risk Management Steering Committee, which provides governance of the Group's risk management, aimed at containing the level of exposure within acceptable limits and guaranteeing the operational continuity of the business by monitoring the effectiveness of the countermeasures adopted. The Board of Statutory Auditors has acknowledged that, at its meeting on 2 March 2022, the Board of Directors defined the risk that was acceptable for the Group (Risk Appetite) and the acceptable levels of deviation (Risk Tolerance) under the scope of the new Industrial Plan.

In 2021 the Compliance organisational model was subject to changes aimed at simplifying the information flows towards the Control Bodies; in this perspective the IT & Security Compliance Policy & Design and IT & Security Compliance Assurance departments were merged within the Compliance Department.

Also in 2021, the Board of Statutory Auditors took note of the activities carried out by Compliance, which focused on the following areas: Definition of rules, processes and controls, Communication and training, Monitoring.

These compliance audits, as indicated in the SCIGR report, led to the conclusion that with reference to the specific operating contexts analysed and the initiatives undertaken by the Compliance Department, no elements emerged in 2021 that would lead to non-compliance risk profiles exceeding levels that would affect the adequacy of the internal control system.

Nonetheless, areas for improvement were identified in relation to the Anti-Corruption Management System, Financial Reporting and Gap Analysis 231 both in Tim and its subsidiaries.

In compliance with Italian Legislative Decree no. 254/2016 (hereinafter the “Decree”), the Company has been required to disclose non-financial information since FY 2018.

The TIM Group NFS contains a description of topics regarding: the corporate management model, corporate governance, stakeholder engagement, the materiality matrix and risk management, the results achieved by the Company on topics relevant to the environment, the value chain and human rights.

On 16 March 2022, the independent auditors issued a report certifying that the information provided in the NFS complies with the requirements of the Decree and the reporting standards used, which reads as follows: *"based on the work carried out, no elements have come to our attention that would lead us to believe that the Tim Group's NFS for the financial year ending 31 December 2021 has not been prepared, in all significant aspects, in accordance with the requirements of Articles 3 and 4 of the Decree and the GRI Standards."*

Our conclusions on Tim Group's NFS do not extend to the information contained in the "European Taxonomy" paragraph thereof, which is required by Article 8 of European Regulation 2020/852."

The Board of Statutory Auditors has obtained regular updates on the conduct of activities prior to preparing the NFS and has monitored observance of the provisions pursuant to the above Decree under the scope of the duties assigned it by the system and, in particular, on the adequacy of the procedures, processes and departments overseeing the production, reporting, measuring and representation of the results and of information of this nature.

As part of its duty to supervise compliance with the law and the Bylaws, the Board notes that the Company, in its NFS, has complied with the provisions of Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to encourage sustainable investments.

Said Regulation requires that, as of 1 January 2022 (NFS referring to FY 2021), information be provided only on climate change mitigation and adaptation.

15. REMARKS ON THE ADEQUACY OF THE ADMINISTRATIVE AND ACCOUNTING SYSTEM AND ITS ABILITY TO FAIRLY REPRESENT OPERATIONS

For the purpose of supervising financial reporting processes, the Board of Statutory Auditors (in addition to the above-mentioned in-depth analyses and discussions with the Auditor both with regard to the adequacy of the internal control system and the procedures underlying the preparation of accounting data, for which it did not receive any reports of critical aspects) has periodically met the Executive responsible for measuring accounting and corporate data and drafting the related accounting documents, together with the accounting and risk department. To this end, the Board of Statutory Auditors collected documents and information, including through interviews with the various company control, compliance, legal and commercial departments, as well as with the Supervisory Board.

In order to guarantee compliance with Italian laws, TIM operates a structured and documented model of detection and monitoring of risks connected to financial

reporting, which refers to the 2013 CoSo framework. This model, managed with the help of a specific piece of software, regards the internal controls associated with the risks identified on the financial reporting and the consequent assessment activities, with precise attributions of responsibility, in compliance with the principle of accountability. The accounting structure and the related procedures have been defined and organised under the responsibility of the Executive responsible together with the pro tempore Chief Executive Officer, who have certified their adequacy and effectiveness.

The Board also acknowledged the activities carried out pursuant to Law no. 262/05 concerning the Company's 2021 individual and consolidated financial statements, which were submitted to the Board of Directors on 2 March 2021. Consequently, with regard to the administrative-accounting system of the subsidiaries, pursuant to art. 15, subsection 1, letter c, ii) of the Market Regulations (Conditions for the listing of shares of controlling companies and of companies registered in and regulated by the laws of States that are not members of the European Union), the Board of Statutory Auditors has not ascertained facts and circumstances indicating that it is not adequate to ensure that the data on equity and economic data required for the preparation of the consolidated financial statements regularly reaches the management and auditor of the controlling company.

In the course of periodic meetings, the Executive responsible did not point out any shortcomings in the operational and control processes that could affect the judgement of the correctness of company information.

In the course of its supervisory activities, the Board of Statutory Auditors reported certain shortcomings regarding both the organisational structure and the correct representation of some operations, relating mainly to the contracts referred to in paragraph 2 above, which were brought to the attention of the Board of Directors, the control and compliance departments and the Auditor for the necessary measures both in terms of corrective action and in-depth investigation. In this regard, the Board of Directors, at its meeting on 17 December 2021, decided to launch a specific investigation by external consultants, aimed at analysing the reports received in depth.

The Board of Statutory Auditors also monitored the financial reporting process.

With reference to the Company's annual financial statements and consolidated accounts for 2021, the Board of Statutory Auditors acknowledged the statements issued by the Chief Executive Officer and the Executive responsible for preparing the corporate accounting documents of TIM S.p.A. concerning the adequacy in relation to the characteristics of the company and the actual application during 2021 of the administrative and accounting procedures for the preparation of the financial statements and the consolidated financial statements.

The Board of Statutory Auditors notes that, with reference to the goodwill impairment test, this is applied in a consolidated and structured manner, coordinated by the Chief Financial Officer, with the intervention of independent external experts of acknowledged professional expertise. The impairment procedure is revised once a year and the process for impairment testing is analysed and discussed in special meetings involving the Control and Risk Committee and Board of Statutory Auditors, that precede the Board of Directors meetings to approve the financial reports to which the impairment test must be applied.

The Board of Statutory Auditors has checked that the impairment test procedure applied to the 2021 financial statements was conducted consistently with the procedure approved by the Board of Directors on 21 January 2022 and with the applicable IFRS standards, and structured with various reference documents aimed at verifying the final results.

After the impairment test process, the goodwill of the Domestic CGU was 4,120 million euros less at 31/12/2021, due to the impairment carried out.

For further details, reference is made to the explanations given in the "Goodwill" Note to the consolidated financial statements as of 31 December 2021 of the TIM Group.

Following the events occurring after the date of approval of the 2021 financial statements by the Board of Directors due to the war between Ukraine and Russia, the Board of Statutory Auditors carried out some in-depth studies with both the

Company departments and the Auditor regarding the possible effects on interest rates, exchange rates, energy costs, and more generally on the economy at large.

16. REMARKS ON THE ADEQUACY OF THE INSTRUCTIONS IMPARTED BY THE COMPANY TO ITS SUBSIDIARIES PURSUANT TO ARTICLE 114, SUBSECTION 2 OF LEGISLATIVE DECREE NO. 58/1998

Pursuant to art. 2403 of the Italian Civil Code and art 149 of the CLF, the Board of Statutory Auditors believes that the instructions imparted by TIM to its subsidiaries, pursuant to art. 114, subsection 2 of the CLF, are adequate to comply with the disclosure obligations established by the law.

- In this respect it should be noted that the Company regulates the flow of information it receives from its subsidiary companies on transactions of particular impact, with specific procedures
- exchanged periodic information with the Boards of Statutory Auditors of the direct subsidiaries and verified - pursuant to art. 15 of the Consob Market Regulations adopted by resolution no. 20249 of 28 December 2018 (the "Consob Market Regulations") - that the corporate organisation and procedures adopted allow Tim S.p.A. to ascertain that its subsidiaries of significant importance incorporated and governed by the law of non-EU countries have an administrative and accounting system suitable for regularly providing the Company's management and auditor with data on equity and the financial data necessary for the preparation of the consolidated financial statements. As at 31 December 2021, the subsidiaries of significant importance incorporated and governed by the law of non-EU countries pursuant to article 15 of Consob's Market Regulations are: TIM S.A. (telecommunications services - Brazil).

17. RELATIONS WITH SUPERVISORY AUTHORITIES

In 2021 the Board of Statutory Auditors sent a communication to Consob pursuant to art. 149, subsection 3 of the CLF regarding certain organisational profiles observed in the administration and control area during the supervisory activities carried out on the contracts referred to in paragraph 2 above.

In addition, in 2022 the Board of Statutory Auditors responded to a request sent by Consob, pursuant to art. 115 of the CLF, inviting the Board of Statutory Auditors to provide additional information on the content of the aforementioned communication pursuant to art. 149, subsection 3, of the CLF.

It should be noted, moreover, that the Board of Statutory Auditors was promptly informed by the Company with regard to the requests for information, data and documents sent by Consob, pursuant to art. 115 of the CLF, during the year 2021 and that the requests received were promptly answered within the terms set out and/or agreed.

18. REMARKS ABOUT ANY RELEVANT ASPECTS THAT EMERGED DURING THE MEETINGS HELD WITH THE AUDITORS PURSUANT TO ARTICLE 150, SUBSECTION 2 OF LEGISLATIVE DECREE NO. 58/1998

In 2021, the Board of Statutory Auditors held regular meetings with the external auditor (EY) during which data and significant information was exchanged for the performance of their respective duties.

The Board of Statutory Auditors has analysed the work carried out by the independent auditor, with specific reference to the approach and auditing strategy for FY 2021 and the definition of the audit plan, the scope of work, the materiality and the significant risks for 2021. The key audit matters and the related corporate risks were discussed, and the activities planned by the independent auditor were deemed adequate.

The Board of Statutory Auditors has ascertained, from information obtained from Independent Auditor EY and from the management of the Company, that the IAS/IFRS principles, and the other legal and regulatory provisions that apply to the preparation and presentation of the separate financial statements, the consolidated financial statements and the accompanying report on operations, are complied with.

The exchange of information with the independent auditors covered all the main business processes and their recognition and representation in the accounts. In this perspective, particular attention was paid to the critical aspects emerging from the examination of the contracts indicated in paragraph 2, the accounting of the contractual obligations following the incorporation of FiberCop SpA, the process of measuring revenues related to contracts that provide for separate performance obligations including activation fees, certain commercial agreements concerning the sale of goods with deferred delivery and the system of monitoring and matching the physical and accounting consistency of some categories of fixed assets.

In this context, the Independent Auditor - with whom periodic meetings were held also regarding the provisions of art. 150 of the CLF in order to exchange mutual information - did not report to the Board of Statutory Auditors any reprehensible act or event or any irregularity requiring the formulation of specific notifications pursuant to art. 155 of the CLF.

In compliance with that prescribed by art. 19 of Italian Legislative Decree no. 39/2010, the Board of Statutory Auditors has verified and monitored the independence of the external auditor, particularly as regards the provision of services supplied to the Company, other than auditing.

Taking into account the EY declaration of independence (contained in the Additional Report for the Committee for Internal Control and Audit) and the additional appointments conferred by TIM and the Group companies on EY and the companies belonging to its network, the Board of Statutory Auditors believes that conditions are met for attesting to the independence of the independent audit firm EY.

19. INDICATION OF THE ADHERENCE OR OTHERWISE OF THE COMPANY TO THE CORPORATE GOVERNANCE CODE OF THE COMMITTEE FOR THE CORPORATE GOVERNANCE OF LISTED COMPANIES

The Company's Board of Statutory Auditors performs its functions within a governance framework that envisages information flows within the company, the architecture of which is constantly evolving in relation to Tim's organisational changes and which are therefore currently subject to observation, assessment and monitoring by Internal Audit.

The Board of Statutory Auditors has taken note of the information provided in the Report on Corporate Governance and Share Ownership approved by the Board of Directors at its meeting on 2 March 2022.

The Company adheres to the new Corporate Governance Code and adhered to the previous Corporate Governance Code.

The Board of Statutory Auditors took part in the meetings of the Board of Directors and the Board committees and monitored the procedures for the practical implementation of Tim's corporate governance rules, contained in the Corporate Governance Code. In this perspective, the Board of Statutory Auditors has also taken into account the recommendations of the Corporate Governance Code, intervening where appropriate. In particular, the Board of Statutory Auditors, during the meeting held in the second half of 2021 with the Chairman of the Board of Directors and the Chief Executive Officer - a meeting that it intends to hold on a regular basis in the future - pointed out to them the need to: assure that members of the company bodies are provided with the pre-meeting information sufficiently in advance; are provided with self-explanatory material on the topics to be examined and discussed, organised so as to be functional to the objectives; organise board meetings in a manner functional to the relevance of the single items to be examined; direct individual contributions in an orderly manner; develop a model that facilitates Directors' contributions and discussions aimed at

challenging the proposals of the executive directors, all these aspects showing margins for improvement.

At the same time, the Board of Statutory Auditors acknowledges that TIM has adopted the criteria of the Corporate Governance Code for the classification of Directors as independent. Based on the elements made available by the interested parties pursuant to the Code and as per Consob Issuers' Regulations, or in any case available to the Company, the assessment of the requirements was carried out during the first Board meeting following the appointment, and subsequently, most recently on 14 February 2022. Of the current 15 Directors in office, 10 meet the independence requirements: Directors De Meo, Bonomo, Moretti, Romagnoli, Falcone, Sapienza, Ferro Luzzi, Camagni, Carli and Boccardelli.

On 16 February 2022, the Board of Statutory Auditors checked that the criteria and ascertainment procedures adopted by the Board of Directors to assess the independence of its members were correctly applied, deeming that the procedure had been implemented correctly.

The point of reference and coordination for the issues and contributions of the independent Directors and the non-executive Directors in general is the Lead Independent Director, a role held by Paola Sapienza.

The Lead Independent Director is granted the right to use corporate structures to perform the tasks entrusted to him and to convene special meetings of the Independent Directors to discuss issues regarding the functioning of the Board of Directors or the management of the business.

On 16 February 2022, the Board of Statutory Auditors also checked that the requirements of integrity, professionalism and independence were met by each Auditor, in accordance with art. 148, subsection 3 of the CLF and the Corporate Governance Code. At the same time, it takes note of the adequacy of its composition, also given the diversity in terms of skills, competence and experience

as well as gender, which ensured an adequate functioning of the body.

See TIM's 2021 Report on the corporate governance and share ownership for further information on the Corporate Governance of the Company, which the Board of Statutory Auditors evaluates positively.

20. CONCLUSIVE ASSESSMENTS OF THE SUPERVISORY ACTIVITY CARRIED OUT AND OF ANY OMISSIONS, MISCONDUCT OR IRREGULARITIES NOTED DURING THE COURSE OF THIS ACTIVITY

The supervisory and control activities carried out by the Board of Statutory Auditors, with the exception of the matters described in the preceding sections of this report, did not bring to light any reprehensible facts, omissions or irregularities, nor did the Board of Statutory Auditors or the Supervisory Board receive any indications of reprehensible facts or irregularities to be mentioned in the Report to the Shareholders' Meeting.

21. FURTHER ACTIVITIES OF THE BOARD OF STATUTORY AUDITORS

In carrying out its duties, the Board of Statutory Auditors has monitored, as required by Article 149 of the CLF:

- compliance with the law and the Articles of association;
- compliance with the principles of correct administration;
- the procedures for the practical implementation of the corporate governance rules laid down in the codes of conduct with which the Company, by means of public disclosures, has declared that it complies.

It should also be noted that the Directors' Report on operations includes a paragraph describing the main features of the existing internal control and risk management system in relation to the financial reporting process, including consolidated reporting.

The Board of Statutory Auditors takes note that:

- the Directors' Report on operations complies with current legislation, is consistent with the resolutions passed by the Board of Directors and the results of the financial statements, and provides adequate information on the Company's operations during the year and on intra-group transactions. The section containing information on Related Party transactions has been included, in compliance with IFRS standards, in the notes to the financial statements;
- the Notes comply with current legislation, indicating the criteria applied in valuing items in the financial statements and making adjustments, and the Company's separate and consolidated financial statements have been prepared in accordance with the structure and format required by current legislation. In application of Consob regulations, the financial statements expressly indicate the effects of related party transactions on equity and the financial position, the income statement and cash flows;
- the Boards of Directors of the main subsidiaries include directors and/or managers of the Parent Company who guarantee coordinated management and an adequate flow of information, also supported by suitable accounting information.

Furthermore, it should be noted that the Board of Statutory Auditors:

- obtained from the Directors, at least on a quarterly basis, information on the activities carried out and on the most significant strategic, economic, financial and equity operations undertaken by the Company. The Board of Statutory Auditors - without prejudice to the content of paragraph 2 concerning some company transactions approved and/or carried out in 2021 - based on the available information, can reasonably assure that the additional transactions approved and carried out in the period under review comply with the law and the Bylaws and are not clearly imprudent, or risky, or in conflict

of interest, or in contrast with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the corporate assets;

- received from the Supervisory Body, which the Standing Auditor Anna Doro is a member of, information on the results of its control activities, from which it emerges that no anomalies or reprehensible events violating the Organisational Model 231/2001 were found;
- held periodic meetings with representatives of the Independent Auditors in order to exchange data and information relevant to the performance of their duties, as required by art. 150, subsection 3 of the CLF. In this regard, it should be noted that no significant data or information emerged that should be reported herein;
- obtained information from the corresponding bodies of the main subsidiaries with regard to management and control systems and the general performance of company activities (pursuant to subsections 1 and 2 of art. 151 of the CLF).

22. REPORT OF ANY PROPOSALS TO BE BROUGHT TO THE ATTENTION OF THE SHAREHOLDERS' MEETING PURSUANT TO ARTICLE 153, SUBSECTION 2 OF LEGISLATIVE DECREE NO. 58/98

Having acknowledged the Company's 2021 financial statements, having taken into account all of the above, having considered the content of the reports drawn up by the Auditor, having acknowledged the certifications issued jointly by the Chief Executive Officer and Executive responsible for preparing the corporate accounting documents, the Board of Statutory Auditors, within its remit, finds no reasons to object to the proposal to approve the Company's separate financial statements as at 31 December 2021 and the proposals formulated by the Board of Directors, as set out in the Directors' Report on operations and available at the Internet address: www.gruppotim.it -

The Board of Statutory Auditors has acknowledged that the Shareholders' Meeting has been convened, in connection with the COVID-19 epidemiological

emergency, with procedures consistent with the exceptional rules contained in Decree Law no. 18 of 17 March 2020.

Milan, 16 March 2022

For the Board of Statutory Auditors

The Chairman

Francesco Fallacara