Telecom Italia S.p.A.
Registered Office in Milan at Piazza degli Affari no. 2
General Administration and Secondary Office in Rome at Corso d'Italia no. 41
Share capital Euro 10,673,865,180.00 fully paid up
Taxpayer Identification/VAT Code and Milan Register of Companies registration number 00488410010
A.E.E. registration number IT08020000000799

SHAREHOLDERS' MEETING

27-28-29 APRIL 2010

AGENDA

Ordinary part

- Financial statements for the year ended 31 December 2009 - related and consequent resolutions;
- Appointment of a Director;
- Appointment of independent auditors for 2010-2018 - related and consequent resolutions;
- Employee shareholding plan - related and consequent resolutions;
- Long-term incentive plan for executives - related and consequent resolutions.

Extraordinary part

- Amendment of Article 5 of the Bylaws - related and consequent resolutions;
- Authorization to increase share capital in service of the employee shareholding plan and the long-term incentive plan for executives - related and consequent resolutions

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

The draft annual accounts that are being submitted for approval by the Shareholders' Meeting show a net profit of Euro 1,398,580,254.64.

This result, in light also of the 2010-2012 plan outlook, enables us to propose to the Shareholders a distribution of a dividend at a ratio of Euro 0.050 per ordinary share and Euro 0.061 per savings share.

The amount of the overall dividend distributed, notwithstanding the unit amount indicated just now, will vary depending on the number of shares with regular entitlement on the date of payment of the dividend, net of the treasury shares in the Company's portfolio (currently standing at 37,672,014 ordinary shares) and taking into account the number of shares liable to be subscribed as a result of the capital increases provided for in Art. 5 of the Bylaws and actually issued by that date.

The amounts for dividends will be payable as of this coming 27 May 2010, while the coupon date shall be 24 May 2010.
That having been said by way of introduction, the Board of Directors submits for your approval the following

Motion

The Shareholders' Meeting of Telecom Italia S.p.A., having

- examined the 2009 annual financial report;
- taken note of the reports by the Board of Statutory Auditors and by the audit firm Reconta Ernst & Young S.p.A.;
- considered that the overall number of shares with regular entitlement on the proposed coupon date will be a maximum of 13,382,119,496 ordinary shares and 6,026,120,661 savings shares;

resolves

1. to approve the annual accounts of Telecom Italia S.p.A. ending on 31 December 2009, showing an annual net profit of Euro 1,398,580,254.64;
2. as far as the profit for the year is concerned,
   a. to allocate profits to the legal reserve at the maximum rate of Euro 145,642.53 and in any case not beyond the extent necessary for the legal reserve to reach the amount of one fifth of the share capital certified and in existence upon the adoption of this resolution;
   b. to pay the Shareholders an overall dividend calculated on the basis of the following amounts, which will be applied to the number of ordinary and savings shares that they own (thus excluding the treasury shares in the Company's portfolio) on the coupon date of said dividend:
      - Euro 0.050 per each ordinary share,
      - Euro 0.061 per each savings share,

      no legal withholding deducted. It remains understood that the profits not distributed as dividends shall be carried forward;
   c. to carry forward the residual profits;
3. to give power of attorney to the Board of Directors - and through it to its Chairman - to ascertain in due time, in relation to the exact final number of shares subject to compensation, the amount of the profit distributed and of the profit carried forward;
4. to make the dividend payable as of 27 May 2010, with a coupon date of 24 May 2010.

APPOINTMENT OF A DIRECTOR

Dear Shareholders,

Further to the resignation tendered by Board Member Stefano Cao, taking into account that, in the instant case, the mechanism of voting by slates, as provided for by the Company Bylaws in the sole case of the body's complete replacement, does not apply, the Board of Directors proposes to you that Mr. Mauro Sentinelli (whose *curriculum vitae* is attached below) be appointed as Director of the Company for the remainder of the Board of Directors' term in office, and therefore until the approval of the accounts as at 31 December 2010.

That having been said, the Board of Directors submits for your approval the following

Motion

The Shareholders' Meeting of Telecom Italia S.p.A.,

- in view of the resignation tendered by Stefano Cao from the office of Member of the Board of Directors;
- taking into account that the term of the existing Board of Directors will expire with the approval of the accounts as at 31 December 2010 (as per the resolution by the Shareholders' Meeting on 14 April 2008),

resolves

to appoint Mauro Sentinelli as Director of the Company expiring together with the Directors in office and therefore until the approval of the accounts as at 31 December 2010.

CURRICULUM VITAE

Mauro Sentinelli

Born in Rome (Italy) in 1947

Degree in Electronic Engineering – Rome University (1st Class Hons)
Master's Degree specializing in Telecommunications – Turin Polytechnic (1st Class Hons)
MBA CEDEP-INSEAD (Fontainebleau, France)
Short MBA from Kellogg University (Chicago, USA)

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In 1974 he joined SIP (now Telecom Italia).
1980 Member of the IEC (International Electrotechnical Commission) and CEPT (Conference Europeenne des Postes et Telecommunications).
In 1983 he became founder member of Global System for Mobile Communication (GSM).
Chairman of the sub-Committee for the choice of the GSM system.
In 1991 he became Director of Marketing and Planning in the Mobile Division of SIP (now Telecom Italia).
In 1992 he was appointed Chairman of ETNO (European Telecommunications Network Operators) for the mobile systems.
In 1994 he was appointed Deputy Managing Director of Telecom Italia's Mobile Division.
In 1996 he designed and launched the prepaid "TIMcard" service for which he receives the Outstanding Marketing Award from the GSM MoU Association.
In May 1997 he left TIM for an experience in the U.S. and in July 1999 he returned to TIM as Group Managing Director.
In January 2000 he received the 1999 Man of the Year Marketing Award.
In February 2002 he received the "Roll of Honour for Lifetime Achievement Award" from the GSM Association.
In April 2002 he was appointed member of the TIM Board of Directors.

In February 2003 he was elected Deputy Chairman of the GSM Association.

In December 2004 and 2005 he was re-elected Deputy Chairman of the GSM Association for the period 2005-2006 and 2006-2008.

In January 2005 he stepped down as Managing Director of TIM and left the Telecom Italia Group.

In 2008 he became Affiliate Member of the University of California (UCLA), Los Angeles.

He was appointed Member of the Board of GSMA Ltd, the industrial arm of the GSM Association.

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He was awarded by the Presidency of the Italian Republic:

1999 Cavaliere della Repubblica

2002 Commendatore della Repubblica

2006 Grand'Ufficiale della Repubblica

March 2010

APPOINTMENT OF INDEPENDENT AUDITORS FOR 2010-2018 - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

The audit engagement of Reconta Ernst & Young S.p.A., already extended by the Shareholders' Meeting held on 16 April 2007 for an overall duration of nine years, expires upon the audit of the accounts as at 31 December 2009, with no possibility of further renewal or extension.

The Shareholders' Meeting is asked to appoint new independent auditors for the nine-year period 2010-2018 on the basis of the reasoned proposal put forward by the Board of Auditors. Such internal control body has submitted to the Board of Directors a proposal to appoint PricewaterhouseCoopers S.p.A. for consideration of 1,811,300 Euro (excluding VAT and expenses) for each year of the nine-year period 2010-2018, for the auditing of the separate financial statement of Telecom Italia S.p.A. and the consolidated financial statement of the Telecom Italia Group; limited auditing of the half-yearly condensed consolidated financial statement of the Telecom Italia Group; the auditing of Form 20-F drawn up in accordance with the applicable US requirements; the attestation on the internal controls in accordance with Section 404 of the Sarbanes-Oxley Act.

That having been said by way of introduction, the Board of Directors

asks the Shareholders' Meeting

to approve the proposal made for this purpose by the Board of Statutory Auditors.

REASONED PROPOSAL BY THE BOARD OF STATUTORY AUDITORS WITH REGARD TO CONFERRAL OF THE MANDATE FOR AUDITING OF THE INDIVIDUAL FINANCIAL STATEMENTS, THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS, THE ABBREVIATED HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS, THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDED IN FORM 20-F AND THE INTERNAL CONTROLS PURSUANT TO SECTION 404 OF THE SARBANES-OXLEY ACT FOR EACH FINANCIAL YEAR IN THE NINE-YEAR PERIOD FROM 2010 – 2018

The Board of Statutory Auditors of Telecom Italia S.p.A.

whereas

- the mandate conferred upon the audit company Reconta Ernst & Young S.p.A. by the Shareholders' Meeting of Telecom Italia S.p.A. (the "Company") held on 16 April 2007 will expire with the Shareholders' Meeting for approval of the individual financial statements as at 31 December 2009 and with the issuance of the respective audit report;
- this mandate is no longer renewable by law;
- the Ordinary Shareholders' Meeting called to approve the individual financial statements as at 31 December 2009 is asked, pursuant to the applicable legal provisions, to confer the audit mandate, upon a reasoned proposal by the Board of Statutory Auditors, to a company registered in the Special Register of Audit Companies and to approve its respective compensation

having regard to

the applicable legal provisions, as well as the Implementation Regulation for Decree Law 58/1998 adopted by the Consob in Resolution No. 11971 of 14 May 1999 and subsequent amendments and addenda ("Issuer Regulations");

considering

the outcome of the competitive bidding process and the technical and financial evaluation for the purposes of selecting an audit company upon which to confer the new mandate, carried out independently by the Board of Statutory Auditors, with the agreement and assistance of the competent corporate functions, taking into account the overall comparative analysis of the bids received, especially with reference to (i) skills and specific audit experience in the relevant sector (telecommunications); (ii) the adequacy of the technical staff in terms of requirements due to the size and complexity of the Company and the Group to which it belongs; (iii) experience in Italian companies registered with the Securities and Exchange Commission (SEC); (iv) independent and unbiased judgment with respect to the Company and the Group; and (v) the consistency of the compensation requested with the time and level of professionalism considered;

noting

that, as a result of examining such outcomes, the bid from the audit company PricewaterhouseCoopers S.p.A. was identified as the best one;

observing that

- PricewaterhouseCoopers S.p.A. is the Italian organisation belonging to the PricewaterhouseCoopers network and is registered in the special register of audit companies kept by the Consob;
- the audit schedule described in the proposal appears adequate and comprehensive in relation to the breadth and complexity of the said mandate; in fact, the proposal contains a detailed description of the nature of the mandate, an indication of the activities and the respective methods of carrying them out specifically with reference to:
    - (i). auditing of the individual and consolidated financial statements;
    - (ii). verification of regular company bookkeeping and proper recognition of accounting events in the accounting entries;
    - (iii). group auditing;

(iv). limited auditing of the abbreviated half-yearly consolidated financial statements as at 30 June of each of the financial years included in the period from 2010 – 2018;

(v). verification activity aimed at the signing of the Tax Returns (Modello Unico and Simplified and Ordinary 770 forms) relative to the 2010 – 2018 financial years;

(vi). auditing of the consolidated financial statements included in Form 20-F prepared in accordance with SEC rules;

(vii). auditing of internal controls pursuant to Section 404 of the Sarbanes-Oxley Act;

- the estimate of the hours needed to audit the financial statements and for the other audit activities and a breakdown between different categories of professionals, as confirmed also by the competent corporate functions, is in keeping with (i) the size, composition and risk of the Company's most significant equity, economic and financial factors, as well as with the risk profiles associated with the process of consolidating data relative to subsidiaries; (ii) the technical training and experience such audit work requires and (iii) the need to provide not only the physical audits, but also adequate supervision and guidance activity, in accordance with the standards and criteria stipulated by the Consob, pursuant to Art. 162, paragraph 2, sub-paragraph a) of Decree Law 58/1998, as well as in accordance with the U.S. standards and criteria issued by the Public Company Accounting Oversight Board (PCAOB);
- the compensation for the mandate, for each year in the 2010-2018 nine-year period, as proposed in its overall amount and in the itemisation of individual activities, as confirmed also by the competent corporate functions, is determined in such a manner as to guarantee the quality and reliability of the work, as well as the auditor's independence.

  The itemisation is as follows:

Mandate	Hours	Fees (Euro)
Auditing of the individual financial statements of Telecom Italia S.p.A.(*)	12,920	762,100
Auditing of the consolidated financial statements of the Telecom Italia Group	1,900	112,100
Limited auditing of the abbreviated half-yearly financial statements of the Telecom Italia Group	2,755	151,100
Auditing of Form 20-F prepared in accordance with SEC rules	2,333	127,900
Audit of internal controls pursuant to Section 404 of the Sarbanes-Oxley Act	12,000	658,100
TOTAL	**31,908**	**1,811,300**

(*) Includes the control activity referred to in Article 155, paragraph 1, sub-paragraph a) of Legislative Decree 58/1998 and the activities provided for by the tax rules in question under the charge of the audit company in relation to the *Modello* 770 and *Unico* forms.

- Added to the fees itemised above plus VAT will be out-of-pocket expenses, which shall be charged at cost and in any case limited to 8% of the fees under the terms of the proposal.
- Fees are indicated with reference to the rates in effect from 1 July 2010 to 30 June 2011 and will be adjusted annually every 1 July starting on 1 July 2011, based on the total change in the ISTAT index (FOI ex-tobacco) compared to the previous base year June 2010.
- Times and fees may be revised also in relation to the general criteria indicated in the Issuer Regulations, upon the occurrence of the cases provided for in the current provisions and as indicated in the proposal[(1)], in accordance with applicable authorisation procedures;

[(1)] The specific provision contained in the proposal is reproduced.
"***Exceptional or unforeseeable circumstances*** *– If circumstances should arise such as to entail a significant increase in audit time compared to what is estimated in our proposal – such as, by way of example, a change in the structure and size of the Company or of companies in the Telecom Italia group, changes in the controls instituted as part of the internal control system, regulatory changes, changes in auditing standards, the making of complex transactions carried out by Your Company or companies in the Telecom Italia group, additional audit procedures required by the Consob by means of its notices or reference auditing standards – these shall be discussed beforehand with the Company Management so that a written proposal can be submitted to supplement the compensation originally provided for, also taking into account the requirements of the Issuer Regulations issued by the Consob. It shall be up to you to forward this supplement to the pertinent Governance Body. Likewise, if less time should be spent than planned, the compensation will be reduced proportionately.*"

- the Board of Statutory Auditors also analysed the Framework Auditing Proposal prepared by PricewaterhouseCoopers S.p.A. for the companies in the Telecom Italia Group, from which it emerges that PricewaterhouseCoopers itself appears as the main auditor for the entire Telecom Italia Group;
- PricewaterhouseCoopers S.p.A. meets the independence requirements provided for by current regulations (currently, according to the information available, there are no conflicts of interest, as it appears from the “Statement of non-conflict of interest” issued by PricewaterhouseCoopers S.p.A. this past 12 March 2010 and from the checks performed directly by Telecom Italia S.p.A.). The Partner in charge of the mandate has been identified by PricewaterhouseCoopers S.p.A. as Paolo Caccini, listed in the Register of Accountants and Tax Advisors and in the Register of Auditors, who has many years of experience in the auditing of multinational groups listed both in Italy and abroad.

In conclusion, the Board of Statutory Auditors, having been able to ascertain that the financial terms requested by the audit company are in line with the quantity and quality of the work to be performed, the proficiency of the staff to be employed and market rates,

proposes

that this Shareholders’ Meeting confer upon the audit company PricewaterhouseCoopers S.p.A. a mandate for each year in the nine-year period from 2010-2018, according to the abovementioned terms and conditions, for the following:

- the auditing of the individual and consolidated financial statements of the Company;
- the activity of verifying regular corporate bookkeeping and proper recognition of accounting events in the accounting entries;
- the activity of verifying the consistency of the management report with the individual and consolidated financial statements;

- the limited auditing of the abbreviated half-yearly consolidated financial statements for each of the nine interim periods ending from 30 June 2010 to 30 June 2018;
- the verification activities aimed at the signing of Tax Returns (*Modello Unico* and Simplified and Ordinary 770 forms) for the 2010 - 2018 tax years;
- the auditing of the consolidated financial statements included in Form 20-F prepared in accordance with SEC rules;
- the auditing of internal controls pursuant to Section 404 of the Sarbanes-Oxley Act.

Milan, 25 March 2010

THE BOARD OF STATUTORY AUDITORS

EMPLOYEE SHAREHOLDING PLAN - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

Pursuant to Art. 114-*bis* of Legislative Decree no. 58/1998, we are submitting to you for your approval the "2010-2014 Broad-based Employee Share Ownership Plan" (hereinafter the "2010-2014 Plan").

As more fully explained in the special information document prepared and disclosed pursuant to Art. 84-*bis* of Consob Regulation No. 11971/1999 as subsequently amended, the 2010-2014 Plan consists of the offering of subscription for cash of ordinary shares of the Company at a discount compared to the market price, reserved for employees of the Telecom Italia Group, with the possibility of payment in instalments through the pay cheque and with further allotment of bonus ordinary shares, subject to the shares subscribed being held for one year and to continuation of the dependent employment relationship with companies in the Telecom Italia Group.

More specifically, the essential terms of the 2010-2014 Plan may be summarised as follows:

<u>Purpose</u>

The purpose of the 2010-2014 Plan is the introduction of an innovative instrument for the Telecom Italia Group, aimed at increasing the motivation to achieve corporate objectives and to strengthen the feeling of belonging to the company.

<u>Beneficiaries</u>

The 2010-2014 Plan is reserved for the population of employees of the Telecom Italia Group, which will be more fully described by the Board of Directors of the Company, which may specifically limit the initiative to the issuer and to any or all subsidiaries based in Italy (hereinafter the "Employees").

<u>Object</u>

The 2010-2014 Plan consists of offering Employees the possibility of subscribing ordinary Telecom Italia shares at a price with a 10% discount on the average of the market prices for the last month prior to the offering (calculated according to the methods that will be more fully described by the Board of Directors in the implementation stage), within a maximum limit of the equivalent of Euro 3,000 each, notwithstanding the maximum extent of the capital increase resolved in due time to service the initiative. In the event that such capital increase should be insufficient to satisfy all subscription requests, the newly issued shares shall be distributed proportionately among all the subscribers, ensuring them full equal treatment.

Subscribers who have held the shares acquired as described above for a period of one year, subject to their retaining the status of Employees, shall have bonus ordinary shares of the Company allotted to them at a ratio of one free share (the "Bonus Share") for every 3 shares subscribed for cash.

Limitations and restrictions on the shares

Enjoyment of the shares subscribed and of the Bonus Shares shall be had as of the time of issuance.

No lock-up of the shares is provided for, notwithstanding that the 2010-2014 Plan will observe the conditions for access to the favourable tax regime pursuant to Art. 51 of the Consolidated Income Tax Act, as provided for broad-based share ownership plans, and that termination of participation within three years of the subscription (of the shares for cash) or of the allotment (of the Bonus Shares) shall entail forfeiture of the respective benefit by the Employee.

Method of implementation

The following shall be proposed separately to the Shareholders' Meeting, in an extraordinary session, to service the 2010-2014 Plan, and subject to its approval, pursuant to Art. 114-*bis* of Legislative Decree no. 58/1998:

- including in the Bylaws the authority to allot profits to employees by the issuance of shares reserved for them, pursuant to Art. 2349 of the Civil Code;
- granting a special power of attorney to the Board of Directors to increase the share capital for cash, reserved for the Employees (pursuant to Art. 2441, paragraph 8, of the Civil Code, and Art. 134, paragraph 2, of Legislative Decree no. 58/1998) in a maximum number of 31,000,000 newly issued ordinary shares, to be issued at a discount off the market price, and

- the further simultaneous granting of a special power of attorney to the Board of Directors for increasing the share capital without consideration (pursuant to Art. 2349 of the Civil Code) by allotting profits to the subscribers of the abovementioned capital increase for cash, who have held the shares subscribed for a period of one year, subject to maintaining the status of Employees, and at a ratio of one bonus share for every three shares subscribed for cash (rounding off to the lower unit in the event of remainders).

The Board of Directors makes reservation of making any changes to the terms and conditions of the 2010-2014 Plan in the event of changes to the applicable regulations or extraordinary events liable to affect the said Plan.

That having been said by way of introduction, the Board of Directors submits for your approval the following

Motion

The Shareholders' Meeting of Telecom Italia S.p.A., having

- examined the descriptive report by the Board of Directors (the "Report");
- taken note of the information document disclosed pursuant to the applicable rules,

resolves

1. to approve the "2010-2014 Broad-based Employee Share Ownership Plan" in the general terms appearing in the Report, as well as in the information document disclosed pursuant to the applicable rules (the "2010-2014 Plan");
2. to confer on the Board of Directors any power necessary or expedient to implementing the 2010-2014 Plan**,** making any possible change and/or addition to it that proves necessary for the implementation of what was resolved, including for compliance with any applicable regulatory provision; in particular, and merely by way of example, the Board of Directors shall have the power, under the most appropriate methods, to: (i) identify the beneficiaries and determine the limits and terms of the subscription offering; (ii) specify the terms for access to the allotment of bonus shares; (iii) stipulate any other terms and conditions for the implementation of the 2010-2014 Plan; (iv) prepare and approve the bylaws for the initiative, as well

as amend them and/or add to them; (v) make any changes to the terms and conditions of the 2010-2014 Plan in the event of changes to the applicable regulations or extraordinary events liable to affect the said Plan.

LONG TERM INCENTIVE PLAN FOR EXECUTIVES - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

Pursuant to Art. 114-*bis* of Legislative Decree no. 58/1998, we are submitting for your approval the "2010-2015 Long Term Incentive Plan**"** (hereinafter the "LTI 2010-2015 Plan") reserved for a select portion of the management of the Company (hereinafter the "Beneficiaries"**)**.

As more fully described in the information document prepared and disclosed pursuant to Art. 84-*bis* of Consob Regulation no. 11971/1999 as subsequently amended, the LTI 2010-2015 Plan consists of the allotment of a cash bonus to the Beneficiaries depending on the three-year performance verified according to pre-determined parameters, with the possibility of investing 50% of the bonus earned in ordinary shares at market price and bonus allotment of ordinary shares, subject to holding the shares subscribed for two years and to maintaining the dependent employment relationship with companies in the Telecom Italia Group.

More specifically, the essential terms of the LTI 2010-2015 may be summarised as follows:

<u>Purpose</u>

The 2010-2015 LTI Plan aims to encourage the alignment of the interests of management and those of the shareholders through a portion of at-risk compensation and participation in the risk on the value of the Company's shares, at the same time improving the competitiveness of management's compensation package, by providing a long-term component, gradually coming closer to market practices.

<u>Beneficiaries</u>

The 2010-2015 LTI Plan is reserved for a select portion of the Company management (a number around 120 units) who are not already beneficiaries of other long-term incentive plans, as will be more fully described in due time by the Board of Directors of Telecom Italia.

<u>Object</u>

The 2010-2015 LTI Plan consists of the awarding to the Beneficiaries of the right to receive a bonus pegged to the level of achievement of pre-determined three-year (2010-2012) performance, quantified as a percentage of the fixed annual compensation (to the extent decided in due time by the Board of Directors of Telecom Italia), who shall be granted the option to invest a portion equal to 50% of the bonus earned in ordinary newly issued Telecom Italia shares at market price.

Subscribers who have held the shares acquired as described above for a period of two years, subject to maintaining the dependent employment relationship with companies in the Telecom Italia Group, shall be allotted bonus ordinary shares of the Company at a ratio of one bonus share per every share subscribed for cash.

<u>Limits and restrictions on shares</u>

Both the shares subscribed as well as those received as a bonus shall have full enjoyment at the time of issuance and shall not be subject to lock-up restrictions.

<u>Method of implementation</u>

To service the 2010-2015 LTI Plan and subject to its approval pursuant to Art. 114-*bis* of Legislative Decree no. 58/1998, the following shall be proposed separately to the Shareholders' Meeting, in an extraordinary session,

- including in the Bylaws the authority to allot profits to members by the issuance of shares reserved to them, pursuant to Art. 2349 of the Civil Code;
- granting a special power of attorney to the Board of Directors to increase the share capital for cash, reserving for the Beneficiaries (pursuant to Art. 2441, paragraph 8, of the Civil Code and Art. 134, paragraph 2, of Legislative Decree no. 58/1998) the ordinary shares to be issued at a price in line with the market value, for a maximum overall equivalent (including share premium) of Euro 5,000,000, and
- simultaneously granting the Board of Directors a special power of attorney to increase the share capital without consideration (pursuant to Art. 2349 of the Civil Code), by the allotment of profits to subscribers of the abovementioned capital increase for cash, who have held the shares subscribed for a period of two years, subject to maintaining the dependent employment relationship with companies in

the Telecom Italia Group and at a ratio of one bonus share per every share subscribed for cash.

The Board of Directors makes reservation of making any adjustments to the terms and conditions of the 2010-2015 LTI Plan in the event of changes to the applicable regulations or extraordinary events liable to affect the said Plan.

That having been said by way of introduction, the Board of Directors submits for your approval the following

Motion

The Shareholders' Meeting of Telecom Italia S.p.A., having

- examined the descriptive report by the Board of Directors (the "Report");
- taken note of the information document disclosed pursuant to the applicable rules,

resolves

1. to approve the "2010-2015 Long-Term Incentive Plan**"** in the general terms appearing in the Report, as well as in the information document disclosed pursuant to the applicable rules (the "2010-2015 LTI Plan");
2. to confer to the Board of Directors any power necessary or expedient to implementing the 2010-2015 LTI Plan, making any changes and/or additions to it that prove necessary for the implementation of what was resolved, including for purposes of compliance with any applicable regulatory provision; in particular, and merely by way of example, the Board of Directors shall have the power, under the most appropriate terms, to: (i) identify the beneficiaries and determine the limitations and terms of the long-term incentive initiative; (ii) specify the conditions for access to the allotment of bonus shares; (iii) stipulate any other terms and conditions for the implementation of the 2010-2015 LTI Plan; (iv) prepare and approve the bylaws for the initiative, as well as amend them and/or add to them; (v) make any changes to the terms and conditions of the 2010-2015 LTI Plan in the event of changes to the applicable regulations or extraordinary events liable to affect the said Plan.

AMENDMENT OF ART. 5 OF THE BYLAWS - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

For purposes of enabling the Company to implement the dependent personnel loyalty-building and incentive initiatives submitted for your approval in the ordinary session, and in general to make an additional operative instrument available to the Shareholders' Meeting, we are proposing to you that, pursuant to Art. 2349, paragraph one of the Civil Code, the authority be included in the Bylaws to allot profits to dependent personnel of the Company or its subsidiaries by the issuance of shares to be allotted to them without consideration. The provision would be the subject of a new special paragraph in Art. 5 of the Bylaws.

The proposed amendment does not entail the right of withdrawal of shareholders who do not agree with its approval becoming attendant.

Shown below is the proposed resolution stated side by side with the bylaws draft in the current version and in which the proposed amendment is transposed.

That having been said by way of introduction, the Board of Directors submits for your approval the following

Motion

The Shareholders' Meeting of Telecom Italia S.p.A.,

resolves

1. to approve the inclusion of the following provision in Art. 5 of the Bylaws, as paragraph 3:
   "The allotment of profits to dependent employees of the Company or subsidiaries shall be allowed, in the legal terms and manner, by means of the issuance of shares pursuant to paragraph one of Art. 2349 of the Civil Code"
   and therefore to amend the text of Art. 5 as follows:

CURRENT TEXT	PROPOSED TEXT
5.1 - The subscribed and fully paid-up share capital shall be equal to Euro	Unchanged

10,673,865,180.00, divided into 13,380,906,939 ordinary shares with a par value of Euro 0.55 each and 6,026,120,661 savings shares with a par value of Euro 0.55 each.	
5.2 - In resolutions to increase the share capital by issuing shares for cash, the right of pre-emption may be excluded for up to a maximum of ten per cent of the previously existing capital, provided that the issue price corresponds to the market value of the shares and this is confirmed in a special report prepared by the firm appointed to audit the accounts.	Unchanged
	5.3 - The allotment of profits to dependent employees of the Company or subsidiaries shall be allowed, in the legal terms and manner, by means of the issuance of shares pursuant to paragraph one of Art. 2349 of the Civil Code.
5.3 – The Shareholders' Meeting of 26 May 2003 also resolved to increase the share capital by up to a maximum of Euro 183,386,986.75 (at 31 December 2009 Euro 12.702.477,70), by means of the issue of up to a maximum of 333,430,885 (at 31 December 2009 23,095,414) ordinary shares with a par value of Euro 0.55 each, divided into the following outstanding divisible tranches: 1. a tranche of up to a maximum of Euro 21,422,652.90 (at 31 December 2009 Euro 3,267,861.85) for the exercise of the "Piano di Stock Option Top 2002" stock options, increase to be implemented by 28 February 2010 by means of the issue of up to a maximum of 38,950,278 (at 31 December 2009 5,941,567) shares with a par value of Euro 0.55 each, to be subscribed for a total price of Euro 9.203 per option held (i.e. at a price of Euro 2.788052 for each newly-issued share); 2. a tranche of up to a maximum of Euro 50,268,799.90 (at 31 December 2009 Euro 9,434,615.85) for the exercise of the "Piano di Stock Option 2002" stock option, increase to be implemented by 31 March 2008 for the first lot only, by 31 March 2009 for the second lot only, and by 31 March 2010 for the third lot by means of the issue of up to a maximum of 91,397,818 (at 31 December 2009 17,153,847) shares with a par value of Euro 0.55 each, to be subscribed for at a total price for the different options of respectively Euro 9.665 and Euro 7.952 per option held (i.e. at a price for the different options of respectively Euro 2.928015 and Euro 2.409061 for each newly issued share).	Renumbered

5.4 - The Shareholders' Meeting of 7 April 2005 resolved to increase the share capital by up to a maximum of Euro 38,655,832.60 (at 31 December 2009 Euro 666,906.35), by means of the issue of up to a maximum of 70,283,332 (at 31 December 2009 1,212,557) ordinary shares with a par value of Euro 0.55 each, divided into several divisible tranches with a tranche still outstanding of up to a maximum of Euro 3,192,173.05 (at 31 December 2009 Euro 666,906.35) for the exercise of the "2003-2005 Stock-Option Plans" stock options, increase to be implemented by 31 December 2008 for the first lot, by 31 December 2009 for the second lot and by 31 December 2010 for the third lot by means of the issue of up to a maximum of 5,803,951 (at 31 December 2009 1,212,557) shares with a par value of Euro 0.55 each, to be subscribed at the total price of Euro 5.07 per option held (i.e. Euro 2.930636 for each newly-issued share).	Renumbered
5.5 - For five years starting from 8 April 2009 the Directors may increase the share capital in one or more tranches by up to a maximum total nominal amount of Euro 880,000,000 by means of cash issues, with or without a share premium, of up to a maximum of 1,600,000,000 ordinary shares with a par value of Euro 0.55 each (i) to be offered with the right of pre-emption to persons having entitlement; or, including just a part thereof, (ii) to employees of Telecom Italia S.p.A. and its subsidiaries with the exclusion of the right of pre-emption pursuant to the combined effects of the last paragraph of Article 2441 of the Civil Code and Article 134(2) of Legislative Decree no. 58/1998.	Renumbered
5.6 Resolutions to increase the share capital adopted by the Board of Directors in exercising the powers attributed above shall set the subscription price (including any premium) and a time limit for the subscription of the shares; they may also provide, in the event that the increase approved is not fully subscribed within the time limit established from time to time for that purpose, for the capital to be increased by an amount equal to the subscriptions received up to such time.	Renumbered
5.7 - The Board of Directors may issue, in one or more tranches and for up to a maximum of five years from 8 April 2009, bonds convertible into ordinary shares to be offered with the right of pre-emption to persons having	Renumbered

entitlement up to a maximum nominal amount of Euro 1 billion.	

2. to confer separately to the pro-tempore legal representatives of the Company the pertinent powers to carry out any formality necessary for the resolutions adopted to be recorded at the Register of Companies, agreeing to and including in them the non-essential amendments, additions or deletions that may be required by the competent authorities.

AUTHORIZATION TO INCREASE SHARE CAPITAL IN SERVICE OF THE EMPLOYEE SHAREHOLDING PLAN AND THE LONG-TERM INCENTIVE PLAN FOR EXECUTIVES - RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

In the ordinary session, two initiatives were submitted to the Shareholders' Meeting concerning a qualified group of executives and Telecom Italia employees in general, respectively (as more fully specified in due time by the Board of Directors of the Company), which provide for the right to subscribe for cash and/or receive as a bonus new Telecom Italia shares deriving from capital increases reserved for them.

Specifically, the "2010-2014 Broad-based Employee Share Ownership Plan" consists of the offering of a maximum of 31,000,000 ordinary shares of the Company for subscription for consideration, with the subsequent additional allotment of bonus ordinary shares to the subscribers of the reserved capital increase according to a predetermined ratio (one bonus share for every three shares subscribed for cash), subject to the occurrence of predetermined conditions.

The "2010-2015 Long-Term Incentive Plan," on the other hand, provides for the offering of ordinary shares of the Company for subscription for consideration, reserved for employee beneficiaries of the initiative for a maximum overall amount (including share premium) of Euro 5,000,000, with the subsequent additional allotment of bonus ordinary shares to the subscribers of the reserved capital increase at a predetermined ratio (one bonus share for every share subscribed for cash), subject to the occurrence of predetermined conditions.

To service the abovementioned loyalty-building and incentive plans, we are therefore submitting for your approval the granting to the Board of Directors, pursuant to Art. 2443 of the Civil Code and for a period of five years as of the date of today's resolution, of the authority to increase the share capital as follows:

– power of attorney to increase the share capital (i) for cash by the issuance of a maximum of 31,000,000 new ordinary shares with a par value of Euro 0.55 each, regular enjoyment, excluding the right of pre-emption pursuant to pursuant to Art.

2441, paragraph 8, Civil Code and Art. 134, paragraph 2, of Legislative Decree no. 58/1998, to be received by employee beneficiaries of the “2010-2014 Broad-based Employee Share Ownership Plan” and therefore subsequently (ii) by the allotment of profits pursuant to Art. 2349 of the Civil Code, with the issuance of the number of ordinary shares necessary for the allotment of one bonus share for every three shares subscribed for cash as described above by the employee beneficiaries of the “2010-2014 Broad-based Employee Share Ownership Plan,” within the time periods and under the terms and conditions provided for therein;

- power of attorney to increase the share capital (i) by the issuance for cash of new ordinary shares with a par value of Euro 0.55 each, regular enjoyment, for a maximum amount of Euro 5,000,000, excluding the right of pre-emption pursuant to Art. 2441, paragraph 8, of the Civil Code and Art. 134, paragraph 2, of Legislative Decree no. 58/1998, to be reserved for the employee beneficiaries of the “2010-2015 Long-Term Incentive Plan”, and therefore subsequently (ii) by the allotment of profits pursuant to Art. 2349 of the Civil Code, with the issuance of the number of ordinary shares necessary for the allotment of one bonus share per every share subscribed for cash as described above by the employee beneficiaries of the “2010-2015 Long-Term Incentive Plan,” within the time periods and under the terms and conditions provided for therein.

With respect to the abovementioned capital increases for cash, the Board of Directors shall be granted the authority to determine the amount of the share premium for new shares, in observance of the applicable regulations. With respect to the share issues to be made by allotment of profits, the Board of Directors shall be granted the authority to identify in due time the profits and/or profit reserves to be allocated for that purpose, with a mandate to see to the appropriate accounting postings resulting from the issuance transactions, in observance of the legal provisions and the accounting standards applicable from time to time.

It is specified that, in relation to the proposed resolutions, no right of withdrawal is attendant for shareholders who do not agree with their approval.

Shown below is the proposed resolution stated side by side with the bylaws text in the version resulting from the inclusion of the authority to allot profits to employees pursuant to Art. 2349 of the Civil Code, already submitted to today's Shareholders' Meeting, and in which the additional amendment proposed here is transposed.

That having been said by way of introduction, the Board of Directors, subject to the approval of the amendment of Art. 5 of the Bylaws with the inclusion of the authority to allot profits to employees pursuant to Art. 2349 of the Civil Code, submits to you for your approval the following additional

Motion

The Shareholders' Meeting of Telecom Italia S.p.A., having

- examined the descriptive report by the Board of Directors (the "Report"),
- seen the certification by the Board of Statutory Auditors that the current share capital is fully paid up*;*

resolves

- to grant the Board of Directors, pursuant to Art. 2443 of the Civil Code, for a period of five years as of the date of this resolution, the authority to increase the share capital as follows*:*
    - <u>to service the implementation of the "2010-2014 Broad-based Employee Share Ownership Plan</u>," (i) by the issuance for cash of a maximum of 31,000,000 new ordinary shares with a par value of Euro 0.55 each, and as such for a nominal amount no greater than Euro 17,050,000, regular enjoyment, excluding the right of pre-emption pursuant to Art. 2441, paragraph 8, of the Civil Code and Art. 134, paragraph 2, of Legislative Decree no. 58/1998, to be reserved for the respective beneficiaries, and therefore subsequently (ii) in the maximum amount of Euro 5,683,333.15 by the allotment of the corresponding maximum amount of profits pursuant to Art. 2349 of the Civil Code, by the issuance of the number of ordinary shares necessary for the allotment of one bonus share for every three shares subscribed for cash as described above by employees in the "2010-2014 Broad-based Employee Share Ownership Plan," within the time periods and under the terms and conditions provided for therein;

- to service the implementation of the “2010-2015 Long-Term Incentive Plan,” (i) by the issuance for cash of new ordinary shares with a par value of Euro 0.55 each, regular enjoyment, in the maximum amount of Euro 5,000,000, excluding the right of pre-emption pursuant to Art. 2441, paragraph 8, of the Civil Code, and Art. 134, paragraph 2, of Legislative Decree no. 58/1998, to be reserved for the respective beneficiaries, and therefore subsequently (ii) in the maximum amount of Euro 5,000,000 by the allotment of the corresponding maximum amount of profits pursuant to Art. 2349 of the Civil Code, by the issuance of the number of ordinary shares necessary for the allotment of one bonus share for every share subscribed for cash as described above by employee beneficiaries of the “2010-2015 Long-Term Incentive Plan,” within the time periods and under the terms and conditions provided for therein.

With respect to the capital increases for cash, the Board of Directors shall set the issue price for the shares (including share premium) in accordance with the provisions of the “2010-2014 Broad-based Employee Share Ownership Plan” and the “2010-2015 Long-Term Incentive Plan,” respectively, and it shall also set suitable time periods for their subscription, providing that if the increase resolved is not fully subscribed within that time period, the capital will be increased by an amount equal to the subscriptions received within that time period. With respect to capital increases to be paid in by the allotment of profits, the Board of Directors shall have the authority to carry out the specific identification of the profits and/or profit reserves resulting from the last regularly approved financial statements to be allocated for the purpose, with a mandate to see to the appropriate accounting postings resulting from the issuance transactions, in observance of the legal provisions and the accounting standards applicable from time to time;

- to amend Art. 5 of the bylaws as follows*:*

TEXT RESULTING FROM THE INCLUSION OF PARAGRAPH 3	**PROPOSED TEXT**
5.1 - The subscribed and fully paid-up share capital shall be equal to Euro 10,673,865,180.00, divided into 13,380,906,939 ordinary shares with a par value of Euro 0.55 each and 6,026,120,661 savings shares with a par value of Euro 0.55 each.	Unchanged
5.2 - In resolutions to increase the share capital	Unchanged

by issuing shares for cash, the right of pre-emption may be excluded for up to a maximum of ten per cent of the previously existing capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a report prepared by the firm appointed to audit the accounts.	
5.3 – The Extraordinary Shareholders' Meeting may resolve the allotment of profits to employees of the Company or its subsidiaries by the issuance of shares, including of special classes, pursuant to paragraph one of Art. 2349 of the Civil Code.	Unchanged
5.4 - The Shareholders' Meeting of 26 May 2003 also resolved to increase the share capital by up to a maximum of Euro 183,386,986.75 (at 31 December 2009 Euro 12.702.477,70), by means of the issue of up to a maximum of 333,430,885 (at 31 December 2009 23,095,414) ordinary shares with a par value of Euro 0.55 each, divided into the following outstanding divisible tranches: 1. a tranche of up to a maximum of Euro 21,422,652.90 (at 31 December 2009 Euro 3,267,861.85) for the exercise of the "Piano di Stock Option Top 2002" stock options, increase to be implemented by 28 February 2010 by means of the issue of up to a maximum of 38,950,278 (at 31 December 2009 5,941,567) shares with a par value of Euro 0.55 each, to be subscribed for at a total price of Euro 9.203 per option held (i.e. at a price of Euro 2.788052 for each newly-issued share); 2. a tranche of up to a maximum of Euro 50,268,799.90 (at 31 December 2009 Euro 9,434,615.85) for the exercise of the "Piano di Stock Option 2002 " stock option, increase to be implemented by 31 March 2008 for the first lot, by 31 March 2009 for the second lot and by 31 March 2010 for the third lot by means of the issue of up to a maximum of 91,397,818 (at 31 December 2009 17,153,847) shares with a par value of Euro 0.55 each, to be subscribed for a total price for the different options of respectively Euro 9.665 and Euro 7.952 per option held (i.e. at a price for the different options of respectively Euro 2.928015 and Euro 2.409061 for each newly-issued share).	Unchanged
5.5 - The Shareholders' Meeting of 7 April 2005 resolved to increase the share capital by up to a maximum of Euro 38,655,832.60 (at 31	Unchanged

December 2009 Euro 666,906.35), by means of the issue of up to a maximum of 70,283,332 (at 31 December 2009 1,212,557) ordinary shares with a par value of Euro 0.55 each, divided into several divisible tranches with a tranche still outstanding of up to a maximum of Euro 3,192,173.05 (at 31 December 2009 Euro 666,906.35) for the exercise of the "2003-2005 Stock-Option Plans" stock options, increase to be implemented by 31 December 2008 for the first lot, by 31 December 2009 for the second lot and by 31 December 2010 for the third lot by means of the issue of up to a maximum of 5,803,951 (at 31 December 2009 1,212,557) shares with a par value of Euro 0.55 each, to be subscribed at the total price of Euro 5.07 per option held (i.e. Euro 2.930636 for each newly-issued share).	
	5.6 For five years starting from ... April 2010 the Directors may increase the share capital as follows: – **to service the implementation of the "2010-2014 Broad-based Employee Share Ownership Plan," (i) by the issuance for cash of a maximum of 31,000,000 new ordinary shares with a par value of Euro 0.55 each, and as such for a nominal amount no greater than Euro 17,050,000, regular enjoyment, excluding the right of pre-emption pursuant to Art. 2441, paragraph 8, of the Civil Code and Art. 134, paragraph 2, of Legislative Decree no. 58/1998, to be reserved for the respective beneficiaries, and therefore subsequently (ii) in the maximum amount of Euro 5,683,333.15 by the allotment of the corresponding maximum amount of profits pursuant to Art. 2349 of the Civil Code, by the issuance of the number of ordinary shares necessary for the allotment of one bonus share for every three shares subscribed for cash as described above by employees in the "2010-2014 Broad-based Employee Share Ownership Plan," within the time periods and under the terms and conditions provided for therein;** – **to service the implementation of the "2010-2015 Long-Term Incentive Plan," (i) by the issuance for cash of new ordinary shares with a par value of Euro 0.55 each, regular enjoyment, in the maximum amount of Euro 5,000,000, excluding the right of pre-emption pursuant to Art. 2441, paragraph 8, of the Civil Code, and Art. 134, paragraph 2, of Legislative Decree no. 58/1998, to be reserved for the respective beneficiaries, and therefore subsequently**

	(ii) in the maximum amount of Euro 5,000,000 by the allotment of the corresponding maximum amount of profits pursuant to Art. 2349 of the Civil Code, by the issuance of the number of ordinary shares with a par value of Euro 0.55 each necessary for the allotment of one bonus share for every share subscribed for cash as described above by employee beneficiaries of the "2010-2015 Long-Term Incentive Plan," within the time periods and under the terms and conditions provided for therein. **With respect to the capital increases for cash, the Board of Directors shall set the issue price for the shares (including share premium) in accordance with the provisions of the "2010-2014 Broad-based Employee Share Ownership Plan" and the "2010-2015 Long-Term Incentive Plan," respectively, and it shall also set suitable time periods for their subscription, providing that if the increase resolved is not fully subscribed within that time period, the capital will be increased by an amount equal to the subscriptions received within that time period.**
5.6 - For five years starting from 8 April 2009, the Directors may increase the share capital in one or more tranches by up to a maximum total amount of Euro 880,000,000 by means of cash issue, with or without a share premium, of up to a maximum of 1,600,000,000 ordinary shares with a par value of Euro 0.55 each (i) to be offered with the right of pre-emption to persons having entitlement; or, including just a part thereof, (ii) to employees of Telecom Italia S.p.A. and its subsidiaries with the exclusion of the right of pre-emption pursuant to the combined effects of the last paragraph of Article 2441 of the Civil Code and Article 134(2) of Legislative Decree no. 58/1998.	Renumbered
5.7 - Resolutions to increase the share capital adopted by the Board of Directors in exercising the powers attributed above shall set the subscription price (including any premium) and a time limit for the subscription of the shares; they may also provide, in the event that the increase approved is not fully subscribed within the time limit established from time to time for that purpose, for the capital to be increased by an amount equal to the subscriptions received up to such time.	Renumbered
5.8 - The Board of Directors may issue, in one or more tranches and for up to a maximum of	Renumbered

five years from 8 April 2009, bonds convertible into ordinary shares to be offered with the right of pre-emption to persons having entitlement up to a maximum nominal amount of Euro1 billion.	

- to confer a mandate on the Board of Directors, and through them any power on the pro-tempore legal representatives, in order to:
  - ✓ makes changes from time to time to Art. 5 of the Bylaws resulting from the resolutions, implementation and completion of the capital increases authorised as described above, seeing for that purpose to all requirements and disclosures provided for by regulations;
  - ✓ carry out any formality necessary in order for the resolutions adopted to be recorded at the Register of Companies, agreeing to and including in them the additional amendments or non-essential deletions that may be required by the competent authorities, as well as any power to carry out legal and regulatory requirements resulting from the resolutions adopted.