

Index No. 10,862

Folder no. 5,583

Minutes of the Extraordinary Meeting of a Listed Company

REPUBLIC OF ITALY

In the year 2014 (two thousand and fourteen)
on the 15th (fifteenth) day
of the month of May
in Milan, at Via Agnello 18.

I, the undersigned **Carlo Marchetti**, Notary in Milan, registered with the Association of Notaries of Milan, following a request made by *Aldo Minucci* (as Chairman of the Board of Directors at the above date), of the listed joint-stock company known as:

"Telecom Italia S.p.A."

with registered office in Milan, Piazza degli Affari 2, share capital 10,693,740,302.30 euros, fully paid-up, tax code and registration number in the Milan Business Register: 00488410010, registered in the Economic and Administrative Register of Milan under no. 1580695 (hereinafter also referred to as: the "**Company**"), have hereby drawn up and signed, pursuant to article 2375 of the Italian Civil Code, the minutes of the Extraordinary session of the Shareholders' Meeting of the aforesaid Company held, in my constant presence, in Rozzano (Milan), at Viale Toscana 3, on

16 (sixteenth) April 2014 (two thousand and fourteen)

in accordance with the notice referred to below, to discuss and vote on the agenda which is also reproduced below.

I give notice that the record of the proceedings of the said Shareholders' Meeting, which I, the Notary, attended, as regards the extraordinary part of the agenda, is as stated below, the ordinary part being the subject of separate minutes.

* * *

Mr **Minucci** chaired the meeting in accordance with the Company Bylaws, in his aforesaid capacity as Chairman of the Board of Directors. He first of all (at 10:23 p.m.) appointed me the notary to take the minutes also of the extraordinary part of the meeting, and indicated that the shares represented numbered 6,745,478,386, with the right to the same number of votes, and were equivalent to 50.28% of the total of ordinary shares. He declared therefore that the meeting was also validly constituted in extraordinary session.

The Chairman then recalled, insofar as they were relevant, the announcements made at the opening of the Shareholders' Meeting and recorded below:

- the Extraordinary Shareholders' Meeting was called to discuss and vote on the following

Agenda

- *Mandate to increase the share capital for cash to service the stock option plan - amendment to art. 5 of the company Bylaws - related and consequent resolutions;*
 - *Definitive reduction of the revaluation reserve under Law no. 413/1991;*
 - *the call notice for the Shareholders' Meeting was published in extract form on 1 March 2014 in the daily newspapers Il Sole 24 Ore and the Financial Times and at the same time in full on the Company's website;*
 - *the supplementary call notice for the Shareholders' Meeting was published in extract form on 13 March 2014 in the daily newspapers Il Sole 24 Ore and the Financial Times and at the same time in full on the Company's website;*
- the share capital was 10,693,740,302.30 euros, divided into 19,443,164,186 shares, of which 13,417,043,525 were ordinary shares and 6,026,120,661 were savings shares, without par value;
- *as of the date of the Meeting, the Company held 37,672,014 of its ordinary treasury shares. In addition, 124,544,373 Telecom Italia ordinary shares were held by its subsidiary Telecom Italia Finance S.A.;*
 - *no postal votes were received;*
 - *votes representing 1,712,925 shares were received electronically, via the Company's website;*
 - *the following documents were distributed at the entrance:*
 - *the printed document containing the financial statements for 2013 (including the proposed resolutions and the associated explanatory reports);*
 - *the printed document containing the slates and the *curricula vitae* of the candidates for the position of Board Member, as well as the summary notice of the proposals that had been received from shareholders for additional resolutions and candidatures for the position of Chairman;*
 - *a printed document containing the report on corporate governance and share ownership and the remuneration report;*
 - *the information document relating to the "2013 Share Ownership Plan for Employees of the Telecom Italia Group";*
 - *according to the figures in the possession of the Company, the following held shares with voting rights amounting to more than 2% of the ordinary capital:*
 - *Telco S.p.A., with a direct holding, by way of ownership, corresponding to 22.387% of the capital with voting rights;*
 - *Findim Group S.A., with a direct holding, by way of ownership, corresponding to 5.004% of the capital with voting rights;*

-- Blackrock Inc, with an indirect holding in the capacity of asset manager corresponding to 4.813% of the capital with voting rights;

- no shareholder is known to be subject to a suspension of the right to vote under the applicable regulations;
- as regards shareholders' agreements with significance for Telecom Italia for the purposes of article 122 of Legislative Decree 58/1998, the latest update of the existing agreement between the members of the relative majority shareholder Telco S.p.A. (Intesa San Paolo S.p.A., Mediobanca S.p.A., companies in the Generali Group and Telefónica S.A.) was published on 4 April 2014; The notices containing the extracts of the agreement are all available on the Consob website, among other sources, and the description of the essential elements of the agreement can be found in the report on corporate governance distributed at the entrance to the hall;
- the following attended the meeting, besides the Chairman and the Chief Executive Officer Marco Patuano:
 - Directors Lucia Calvosa, Jean Paul Fitoussi, Luigi Zingales;
 - all the members of the Board of Statutory Auditors;
 - Dario Trevisan, attorney, common representative of the holders of savings shares;
 - Francesco Pensato, common representative of the holders of bonds relating to the following loans: "Telecom Italia S.p.A. Euro 1,250,000,000 5.375 per cent. Notes due 2019".
 - Enrico Cotta Ramusino, common representative of the holders of bonds relating to the loan "Telecom Italia 2002-2022 Floating Rate bonds, Open Special series, reserved for subscription by employees of the Telecom Italia Group, in service or retired";
- finally, representatives of the independent auditors were present, as well as staff engaged in the proceedings of the meeting;

The Chairman, also:

- as per the Regulations for the Shareholders' Meeting, set 10 minutes as the maximum length of speeches during the course of the discussion, which would take the form of a single debate for all the items for the extraordinary session;
- stated that voting would later take place separately on the various items on the agenda;
- pointed out that the operations of recording attendances and counting the votes would be performed with the aid of a remote unit, the so-called "televoter", which is associated with the personal identification details of the entitled individuals.
- reminded shareholders who intended to address the meeting to make a booking; when called to make their speech they would be required to proceed to the podium set up for the purpose, and avoid speaking

from the floor;

- he then informed the meeting that recording equipment was being used in order to facilitate minute-taking, and that there was also a simultaneous translation service from Italian to English and vice versa (headphones were available at the entrance to the hall). The personal data collected would be handled for the purposes of the proper conduct of the meeting and for minute-taking. All data would be handled in accordance with the legislation on privacy;

- he reminded shareholders that they were not permitted to make audio or video recordings of the proceedings, but said that anyone who asked after the meeting had taken place, and supplied their name and address, would be provided with an audio/video recording of their own speech;

- since the documentation for all the items on the Agenda had been made available on paper and via the internet, and also distributed at the entrance to the hall, he announced, and no one objected, that the reading of the Agenda would be omitted.

* * *

After making these announcements, the Chairman:

- recalled that the discussion would be conducted in a unified format even for the subjects on the agenda of the extraordinary session, and that as per the Regulations for the Shareholders' Meeting, the maximum length of speeches was set at ten minutes; he also recalled that, as per the Regulations for the Shareholders' Meeting, the maximum length of time for replies/declarations of voting intentions was five minutes; he asked shareholders to respect these time-limits;

- stated that, as in the case of the documentation regarding the items for the Ordinary Shareholders' Meeting, the reading of the documentation regarding the items for the Extraordinary Shareholders' Meeting would be omitted, already published in accordance with the applicable regulations and distributed to those present. A copy of the Directors' report on the agenda for the extraordinary session is attached to these minutes as Appendix **A**;

- asked shareholders who intended to address the meeting to book at the desk in front of the platform, and to make their way to the microphone when they were called upon to speak;

- urged that speeches should be kept to the point under consideration, and not exceed the maximum permitted length of ten minutes;

- he then declared the discussion open.

As no-one else asked to speak, the Chairman:

- declared the discussion closed;

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- with reference to the questions received by the Company before the Shareholders' Meeting, he indicated that the replies were contained in the document made available to those present and attached to these minutes as Appendix "B";
- proceeded with the voting process which follows.

The Chairman, therefore, **on the first item on the agenda of the Extraordinary Session:**

- invited those shareholders who intended to leave the room before the vote to inform the auxiliary staff in the room so that their shares would not be considered present for the purposes of the vote itself;
- there being present 6,745,477,386 shares with rights to the same number of votes and equivalent to about 50.28% of the total of the ordinary shares, he declared the voting open at 10:25 pm, by the use of the televoter, on the proposed resolution transcribed below:
"The Shareholders' Meeting of Telecom Italia S.p.A.,
- *having examined the explanatory report of the Board of Directors;*
- *given the statement by the Board of Statutory Auditors that the current share capital is fully paid up;*

resolves

1. *to grant the Board of Directors, pursuant to article 2443 of the Italian Civil Code, for a period of five years from the date of this resolution, the powers to increase the share capital for cash, in divisible form, in one or more tranches, and with disapplication of the preferential subscription right pursuant to art. 2441, subsection 8 and - as required - subsection 5, of the Italian Civil Code, for a maximum amount of 107,800,000 (one hundred and seven million eight hundred thousand) euros, by the issue of a maximum of 196,000,000 (one hundred and ninety-six million) ordinary shares of the Company, without par value, with regular dividend entitlement, solely to service the 2014-2016 stock option plan, according to the criteria determined in the relevant regulations, and hence reserved for part of the management, to be identified in due time by the Company's Board of Directors, setting suitable time limits for their subscription and specifying that, if the increase resolved is not fully subscribed within that time limit, the capital will be increased by an amount equal to the subscriptions received up to such time;*
2. *to establish that the issue price of the conversion shares of the capital increase (and the relative allocation to capital and premium reserve) is determined by the Board of Directors upon exercising the powers received, noting that the issue price must be determined in accordance with the 2014-2016 stock option plan,*

and hence as a rule on the basis of the average official listing price of a Telecom Italia ordinary share on the Electronic Share Market organised and managed by Borsa Italiana S.p.A. in the month preceding the resolution to allocate the options set out in the aforementioned plan, excepting any adjustments envisaged in its regulations;

3. to introduce a new subsection at the end of art. 5 (five) of the Company Bylaws which shall read as follows:

"For five years starting from 16 April 2014 the Directors may increase, for cash, the share capital to service the "2014-2016 Stock Option Plan", as approved by the Company's Shareholders' Meeting of that date, in one or more tranches, for a maximum amount of 107,800,000 euros, by the issue of a maximum of 196,000,000 new ordinary shares without par value, with regular dividend entitlement, with disapplication of preferential subscription rights pursuant to art. 2441, subsection 8 and - as required - subsection 5, of the Italian Civil Code, reserved for part of the management of Telecom Italia S.p.A. and its subsidiaries, identified in due time by the Company's Board of Directors. Upon exercising said mandate the Board of Directors shall set the issue price of the shares (including any premium) in accordance with the "2014-2016 Stock Option Plan", and it shall also set suitable time limits for subscription of the newly issued shares, specifying that, if the increase resolved is not fully subscribed within that time limit, the capital will be increased by an amount equal to the subscriptions received up to such time".

4. to confer on the Board of Directors - and on behalf thereof on the pro tempore legal representatives of the Company, jointly or severally - all the powers necessary to

make the changes on a case by case basis to article 5 (five) of the Company Bylaws that are consequent on the resolutions, and on the execution and completion of the single tranches of the increase in share capital authorized as above, and to that end meet all the obligations and disclosure of publish all information required by the regulations;

to complete all the necessary formalities for the adopted resolutions to be entered in the Business Register, accepting and introducing into said resolutions the amendments, additions or deletions of a non-substantial nature that might be requested by the competent authorities, as well as all the powers necessary for legal and regulatory compliance deriving from the resolutions adopted".

The resolution was approved by a majority of the shareholders. Against 179,950,254 shares.

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Abstained 73,978,550 shares.

In favour the remaining 6,491,548,582 shares represented.

All as detailed in the appendices.

The Chairman announced the result and then, **on the second item on the agenda of the Extraordinary Session:**

- invited those shareholders who intended to leave the room before the vote to inform the auxiliary staff in the room so that their shares would not be considered present for the purposes of the vote itself;

- there being present 6,745,443,386 shares with rights to the same number of votes and equivalent to about 50.28% of the total of the ordinary shares, he declared the voting open at 10:28 pm, by the use of the *televoter*, on the relevant proposed resolution, transcribed below:

"The Shareholders' Meeting of Telecom Italia S.p.A.:

noting that by resolution adopted at the time of the approval of the financial statements as at 31 December 2013 the totality of the Revaluation reserve pursuant to Law no. 413/1991 was used to cover the loss for financial year 2013, inter alia, for an amount of 1,128,826.78 euros;

taking account of the provisions of the applicable special regulations,

resolves

definitively to reduce the Revaluation reserve pursuant to Law no. 413/1991 in a measure corresponding to the amount of 1,128,826.78 (one million one hundred twenty-eight thousand eight hundred twenty-six/78) euros, used to cover the loss for financial year 2013, and therefore to proceed with zeroing out the above reserve, without the obligation to reinstate it, in accordance with art. 26, subsection 2 of Law no. 413/1991.

The resolution was approved by a majority of the shareholders.

Against 5,852,796 shares.

Abstained 99,151,470 shares.

In favour the remaining 6,640,439,120 shares represented.

All as detailed in the appendices.

The Chairman announced the result and, at 10:30 p.m., all the items on the Agenda having been dealt with, declared the business of the Meeting concluded and thanked those who had attended.

In addition to the documentation already mentioned, the following are attached to these minutes:

- the Company Bylaws, incorporating the amendments approved by the Shareholders' Meeting, as well as the update to the Bylaws, article 5, due to the expiry of the time-limits and/or the partial

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exercise of certain powers to increase the share capital contained therein, as Appendix "C";

- the list of people who attended the Shareholders' Meeting and took part in the voting, together with details of the voting, as Appendix D.

These minutes were signed by me, the notary, at 7 (seven) p.m..

They consist of four sheets written using mechanical means by a person whom I trust, and completed in my own hand, making thirteen pages and part of the fourteenth as far as here.

Signed Carlo Marchetti, notary public