

Index No. 12071

Folder no. 6281

**Minutes of the Extraordinary Meeting of a Listed Company**  
**REPUBLIC OF ITALY**

In the year 2015 (two thousand and fifteen)  
on the 16th (sixteenth) day  
of the month of June  
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, through the Chairman of the Board of Directors Giuseppe Recchi, by the listed joint-stock company known as:

**"Telecom Italia S.p.A."**

with registered office in Milan, Via Gaetano Negri 1, share capital 10,723,490,008.00 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

**20th (twentieth) of May 2015 (two thousand and fifteen)**

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.

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Mr. Recchi 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 6:20 pm) appointed me the notary to take the minutes also of the extraordinary part of the meeting, and indicated that the shares represented numbered 7,712,768,134, with the right to the same number of votes, and were equivalent to approximately 57.25% 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**

1. Mandate to increase the share capital to service the partial

liquidation in equities of the short-term incentive for the 2015 financial year - amendment of article 5 of the company Bylaws - related and consequent resolutions

2. Authorisation to convert the "€2,000,000,000 1.125 per cent. equity-linked bonds due 2022" and increase the share capital, in tranches, for payment, with exclusion of preferential subscription rights, to service the aforementioned bond issue through the issue of ordinary shares - related and consequent resolutions.

3. Adaptation of the statutory corporate governance rules - amendment of articles 9, 11 and 17 of the Bylaws - related and consequent resolutions.

4. Merger by incorporation of Telecom Italia Media S.p.A. into Telecom Italia S.p.A. - related and consequent resolutions.

5. Amendments of the Bylaws requested by Telefónica, through Telco, pursuant to the ruling issued by Agência Nacional de Telecomunicações (ANATEL). Related and consequent resolutions; - the call notice for the Shareholders' Meeting was published on the Company's website on 30 March 2015, as well as, in summary, on 30 March 2015 in the daily *Il Sole 24 Ore* and on 31 March 2015 in the daily *The Wall Street Journal*;

- the share capital was 10,723,490,008 euros, divided into 19,497,254,560 shares, of which 13,471,133,899 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 518,172 shares were received electronically, via the Company's website;

- the documentation relating to the various items on the agenda had been published in compliance with the applicable regulations and a copy was available in the hall, along with answers to questions received within the time-limits specified in the call notice;

- the following documents were distributed at the entrance:

-- the printed document containing the financial statements for 2014 (including the proposed resolutions and the associated explanatory reports);

-- the printed document containing the slates and the *curricula vitae* of the candidates for the renewal of the Board of Statutory Auditors, as well as the press release issued by the company on 30 April 2015 summarising the proposals that had been validly received from shareholders;

-- a printed document containing the report on corporate governance

and share ownership and the remuneration report;

- the information document relating to the "MBO 2015 deferred Plan";
- a printed document containing the documentation relating to the Merger by incorporation of Telecom Italia Media S.p.A. into Telecom Italia S.p.A.;
- 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 22.296% of the capital with voting rights;
  - People's Bank of China, with a direct holding, by way of ownership, corresponding to 2.072% of the capital with voting rights;
  - Blackrock Inc, with an indirect holding in the capacity of asset manager corresponding to 4.794% 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 04 March 2015; The description of the essential elements of the agreement was contained in the report on corporate governance, distributed at the entrance to the hall;
- on 26 March 2015 the undertaking made by Telefónica was published, not to exercise the administrative rights connected with the ordinary Telecom Italia shares which it would come indirectly to hold as a result of the breakup of Telco;
- the notices containing the extracts of the agreement were all available on the Consob website and on that of Telecom Italia;
- the following attended the meeting, besides the Chairman and the Chief Executive Officer Marco Patuano:
  - the Directors Giorgina Gallo, Davide Benello, Laura Cioli and Giorgio Valerio;
  - 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 6 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 and 2 minutes as the time available to those making replies/declarations of voting intentions;

- 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 attendees that audio and video recording of the meeting by shareholders was not permitted;

- 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:

- 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. Copies are attached, in a single document as Annex "A", of the following: the Reports by the Directors on the agenda of the Extraordinary session, the report by the shareholder Telco S.p.A. referred to below; the report by the independent auditor

on the issue price of the shares relating to the capital increase with exclusion of the preferential subscription rights conferred by article 2441, subsections five and six of the Italian Civil Code, and article 158, subsection 1 of Legislative Decree no. 58/98; the plan for merger by incorporation of Telecom Italia Media S.p.A. into Telecom Italia S.p.A.; and the report on the exchange ratio prepared by Reconta Ernst & Young S.p.A., as expert appointed in accordance with Article 2501-sexies of the Italian Civil Code by the Court of Milan;

- recalled that the shareholder Telco S.p.A. had requested an addition to the agenda of the Shareholders' Meeting for the amendments to the Bylaws in accordance with the provision of the Agência Nacional de Telecomunicações (ANATEL); invited the shareholder, if it considered it appropriate, to speak to explain the reasons for this request;

- 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 six minutes;

- he then declared the discussion open.

**Mr Iemmi** considered that he had no reason to congratulate Mr Patuano over the incorporation of TI Media. Not so much because TI Media was not useful to the Company, but for the timings and especially the methods with which the transaction had been carried out, which he considered fairly amateurish and abusive. Since he was also a shareholder in TI Media, observed the shareholder, he found himself with a conflict of interest and did not express value-judgements on the subject. As an individual, however, he did not feel it right to support transactions which he considered unfairly detrimental. As a Telecom Italia shareholder, one would be inclined to issue congratulations for a transaction making it possible today to obtain the 700 band, convertible in the not too distant future for telephone use at a "ridiculous" cost, a put price of 5 million euros and subsequently a purchase price of 50 million, were it not also for the fact that "to save a little paper or a mere couple of millions", the premises were created for a major dispute with the savings shareholders of TI Media.

The special shareholders' meeting for the category of savings shares in Telecom Italia Media, the shareholder recalled, in fact rejected the transaction with more than 23% of the votes, elected a new representative in the figure of Mr Radaelli (a person recognised for his activism in favour of the rights of minorities), who was given a broad mandate to see that the category rights

prevail. He considered, believing him present, that unlike other more silent representatives, Mr. Radaelli himself, if he thought it appropriate, would point out in the best possible way the reasons for the dispute. For his part, Mr. Iemmi limited himself to emphasising, in addition to what had been said, that the transaction set up in that way would herald a long dispute, carried out with the common fund which had been instituted for the protection of the entire category. The Company, therefore, would pay twice, in accusation and in defence, with a use of resources far exceeding the commitment which it would have had to bear for conducting the transaction in a minimally more intelligent way. There was now, however, a considerable risk of losing and of having to pay damages, since it was now a matter, in the opinion of the shareholder, of a dispute founded on evaluations for cuts in the exchange ratios. The affair would also result in a loss of image and publicity which would certainly not be positive. Lastly, Mr. Iemmi added, the merger would also cause a loss of customers who were former shareholders, as he had already heard some very angry declarations. But this, he affirmed, would be the least of the losses.

To quantify to this shareholders' meeting what could be involved in this regard, the shareholder thought he might recall the example of Edison (quoted by the previous common representative Mr. Aime) which ended up as the loser in a legal action and paid, certainly, relatively little to the savings shareholders who resisted - about 25% - but then when one closely examined the various damages and costs, including those borne by the independent auditing firms, one read of sums of between 40 and 50 million euros: these were events, he reminded the meeting, which went back to 2002. This was therefore a lose-lose situation because, even in the unlikely event that it were to win, the costs would remain payable by the Company; all this to save "some small change or a little paper". Already the partial decision of 6 May by the Council of State on the prejudicial questions relating to the appeal presented by the Company's own subsidiary Persidera S.p.A., known at the time as Telecom Italia Media Broadcasting s.r.l., against the judgement of the Lazio Administrative Court (TAR) on the failure to allocate the fourth frequency in the process of converting the networks from analogue to digital, rejecting the objections advanced by the opposing parties, had the effect, in his opinion, of modifying current valuations in share swap cases, all this before approval was given: this ought therefore to bring about a suspension of the transaction itself, and it was precisely such a suspension that the shareholder was requesting of the Shareholders' Meeting. The hearing for the further examination of the appeal had been set for

2 July 2015.

To give an idea of the texture of the propositions aimed at demonstrating the alleged fairness of the transaction, it was useful to recall, Mr Iemmi stated again, that to justify the Company's decision not to call a special shareholders' meeting pursuant to article 146 of the CLFI, denying that the rights of the savings shareholders were being infringed, an elegant impartial opinion was commissioned also by the former common representative, Mr Aime, and at the Company's expense, to well-known notaries, which in a long closing passage concluded that "(a reduction in the number of shares held and a reduction in absolute terms of the preferential profits included in the shareholder's share package) do not, therefore, bring about any significant prejudice, first and foremost because the absolute value of the privilege incorporated into the individual share, as has been repeatedly observed, actually increases and secondly - above all - because these circumstances constitute the necessary and altogether normal counterweight to the fact that the shareholders of the incorporated company become part of a broader company with greater equity wealth, better profitability prospects, and so on". As if to say, stated the shareholder, that a bigger share is worth more than several smaller shares. But it was the "and so on" which, in his phrase, "constituted terrorism". Paraphrasing and simplifying the subject, it would be as if to say that a dimensionally larger ten euro banknote had a greater value than three ten dollar banknotes, but without having considered their exchange values, as extraneous to the question, perhaps considering only the physical appearance of the banknotes, in other words the juridical/procedural nature of the case. This was proved, he continued, by the fact that one of the co-drafters of the opinion, who was in fact present at the shareholders' meeting, declared on the occasion of the special shareholders' meeting, and therefore still in ignorance of the preliminary ruling of the Council of State on the MUXes "I wish to point out from this point of view that I can express myself on aspects of a juridical/procedural nature, but that I do not believe that I have the appropriate skills for expressing an evaluation of the fairness of the exchange ratio considered per se". It was on these bases, however, that the shareholders' meeting was called by private shareholders. He added that as a shareholder holding more than 1% of the savings shares in Telecom Italia Media he had already prepared the request for a further special shareholders' meeting, which he would deliver to the common representative immediately after the approval of the incorporation, with a single item on the agenda: supplementing the fund set up for the expenses necessary

for safeguarding the common interests, related and consequent resolutions.

**Mr. Lombardi, Chairman of ASATI**, expressed his thanks to Mr. Bignami, with whom there had indeed been heated discussions in the past, but always in a spirit of mutual respect and always with the object of pressing the Board of Statutory Auditors in the performance of a function which in a company like Telecom Italia is of primary importance. Referring however to the management of today's meeting, Mr. Lombardi emphasised that there was great cohesion on the part of all the shareholders, and that the objective was always to formulate positive rather than self-serving criticism: ASATI remained furthermore a completely autonomous voice, without receiving contributions from anyone. The debate was always heated, but the objective was to protect the fundamental assets of the Company, such as the 66,000 employees who work for it. The speeches which were made must therefore be read (however difficult this was) as a goad, and besides, in the last few years the level of the considerations raised and the indications coming from the shareholders' meeting and from ASATI had significantly grown.

Mr. Lombardi also observed that within 300 or 400 hours Telco would be broken-up: the history of Telco as a shareholder, however, had been that of a controlling shareholder which, in his opinion, blocked the development of Telecom Italia, as he and Mr. Fossati had already pointed out in past years. He recalled, on this subject, that ASATI had even presented a complaint about Telco to Consob and the Milan prosecutor, a complaint with which Mr. Fossati, who had performed a very important role in the constructive criticism in relation to the Company, had then associated himself. Telefónica, Lombardi insisted, had as its sole objective to block the development of Telecom Italia in the domestic market, and to protect its own interests in Brazil against a TIM Brasile which was achieving very positive results. For the future, he hoped that the new largest shareholder could provide a positive industrial contribution, warning that, for its part, ASATI would not permit conduct similar to that engaged in by successive controlling shareholders in the last few years.

**Mr. Testini** announced the voting intentions indicated by ASATI for the items on the extraordinary agenda. The intention, he stated, was to vote against item 1 (mandate to increase the share capital to service the partial liquidation of the short-term incentive), vote for item 2 (authorisation to convert the bonds), vote against item 3 (adaptation of the bylaw rules), abstain on item 4 (merger by incorporation of Telecom Italia Media), and vote in favour of item 5 (amendments to the bylaws requested by Telco).



**Mr Corato** announced that he would abstain on all items, except for the amendments to the bylaws requested by Telefónica, as he did not consider it correct to offer the possibility of leaving the share ownership at a small cost. He then emphasised that there is currently only one Chief Executive Officer of Telecom Italia, as the Chairman is called upon to perform a chiefly supervisory role. He reported that he had learnt of Telecom Italia's decision to start electronic invoicing only since February 2015: for some sectors of the public administration this had been obligatory for some time, and other small operators had made provision for this several years ago. He also considered that Telecom Italia would not be able to be a public company as long as there was a mingling between the role of important banks as distributors of bonds reserved for qualified investors, and the role of the self-same banks as consultants to the Company. He reserved the right to provide the Company with the names of smaller businesses, but with a presence on the international scene, capable of offering services at lower costs.

**Mr. Barzaghi**, after announcing his abstention on the first three items on the agenda, recalled that the Telecom Italia Media affair had caused great losses for shareholders, since the times of Seat. He hoped therefore that with the merger a new path would open up, also considering the considerable losses that TI Media shares had suffered over the course of the years. He concluded by repeating, as in the process leading to the construction of a public company, that it is important also to listen to and involve those who have spent their working lives in the service of the Company and have then continued to maintain a connection with it.

**Mr Marino** first of all asked for support for a non-profit making organisation concerned with children from Chernobyl, recalling that he had also presented a question prior to the shareholders' meeting but had received an uncertain response. Considering that Telecom Italia has shown its willingness to perform liberal acts, he asked that a contribution, even if small, should be made to the aforementioned NPO: if the Chairman or the Chief Executive Officer were to accept, he would proceed to write a letter to the person responsible; he also indicated that a request which he had sent to Mr De Angelis had not received a reply and hoped, therefore, that this time there would be a reply. Referring then to ASATI, he observed that everyone could agree on the fact that this Association represents a large number of employees at Telecom Italia, as also does CRAL. Although not having any personal connection with ASATI, and indeed not being an employee, he thought it fair - also considering how much waste there is - that the Company should recognise ASATI's commitment including by making a

contribution. The Association, he emphasised, does great work and thanks to it a large number of employees engage themselves, including in the shareholders' meeting, in resolving problems which, after all, are problems for all the shareholders: he therefore hoped that the Chief Executive Officer could reflect on this request and provide a response.

As for Telecom Italia Media, he recalled that it had accumulated much debt, and that therefore the hope was that things were improving: he hoped in this regard that the possibility had been carefully assessed of not selling whatever remained that was profitable, and that moving the still existing activities into Telecom Italia would not end up by further worsening things.

**Mr Arini**, after specifying that ASATI is an association of small shareholders, including former employees, positively saluted as an association of small shareholders the departure of Telco and of Telefónica, which in his opinion had not created value or business synergies but had only culpably blocked the development of Telecom Italia, especially in Brazil. There was now a need to be vigilant about the entry of Vivendi and Bolloré, in order that this did not become the umpteenth stairway to debt, and so that this did not become an umpteenth transaction in financial engineering or low speculation: the small shareholders, the shareholder emphasised, were tired of courageous captains on paper who, however, in reality had only destroyed value and loaded the company with a debt which did not relate to the company's profit-and-loss accounts but which weighed heavily on its balance sheet. He recommended, furthermore, that careful attention should be paid to the "deals" and initiatives or alliances of the new proprietors who were preparing to take over about 8%, because some of their earlier declarations made it appear that they were not interested, unlike the interest which they were now showing. And now, the shareholder stated, either there was confusion previously or there was confusion now, because there was no mystery, the shareholder stated again, about the friendships, the alliances and the "crony network", shared between Bolloré and Vivendi, Mediaset and Berlusconi. He therefore repeated the need to be watchful so that these synergies produced value for Telecom Italia and any friendships, associations and partnerships of certain directors such as Tarak Ben Ammar were only directed towards the interests of the Company and not the interests of "a former Cavaliere".

**Mr Corneli**, referring to item 3 on the extraordinary part of the agenda, took note of the Board's proposals to reduce the majority premium and to facilitate the mechanism for directors to call Board meetings. However, the proposal was considered plainly insufficient compared with the intention, if it was meant to be

sincere, of making Telecom Italia a true public company, as announced on several occasions by the Chairman himself: to want to make Telecom Italia a great public company, a company also of small shareholders. In public companies the separation between ownership and management should be at the highest degree, while in Telecom Italia, the shareholder stated, it was almost reduced to nothing. The history of the indebtedness of Telecom Italia made it among the best customers of the banking system, confirming to what an extent the management decisions of Telecom Italia are conditioned by short-term profit objectives.

From a Board of Directors, as emphasised with pride in the reports accompanying the call notice, made up for the most part of independent directors, one would have expected, the shareholder insisted, quite different proposals for amending the bylaws, more in line with the Anglo-Saxon model of a public company and with the experience of other important settlements in the European Union. A fair and serious allocation on conversion to a public company should provide for the representation not only of generic lists of minorities (which, in fact, can translate into equivalents, on a reduced scale, of the majority shareholder), but also of representatives of specific categories of minority shares, such as employee-shareholders, or savings shareholders (i.e. scattered, not institutional): only in this way would the result be a fair and realistic representation of the shareholder structure, and protection for collective interests, which is one of the principal objectives pursued when enterprises previously in public ownership are privatised. The majority premium as such, he emphasised, is in sharp contrast with this logic.

It would also be desirable, the shareholder continued, to introduce clauses favouring the aggregation and participation of minority shareholders, such as for example:

- the introduction, in accordance with article 2351 of the Italian Civil Code, of the so-called quota-based or proportional vote, i.e. a provision that, in the event that a particular threshold of possession of shares is exceeded by a shareholder, on their own or following a voting agreement, the vote should be frozen for the part in excess or should be progressively devalued;
- the right provided by article 83 duodecies of the CLFI which makes it possible, by request to intermediaries, to acquire the identifying data of shareholders who have not expressly forbidden its disclosure, on the request of a minimum percentage of shareholders;
- tools for providing a permanent incentive to the stability of subscriptions (and not connected with occasional share ownership plans for employees only), such as the so-called "coupons" for

services performed, issued to the Company's own shareholders, which exist in the English system, or the so-called increased vote. Greater involvement of employees, furthermore, so-called endogenous privatisation, could favour overcoming internal inefficiencies, often connected with the inability to reconcile opposed interests between individuals who perceive themselves only as "hierarchically diverse". Mario Campobasso, in a recent study which he dedicated precisely to the rights of the minority, concluded that: "protecting minorities in listed companies means protecting the financial market". This is one of the concepts that one would like to see adopted at Telecom Italia.

The current system, he continued, still sees the public company as something abstract, does not succeed in grasping it, still less bringing it down to reality. For this reason, it needed forcefully emphasising that management philosophy is not created solely by complying with certain rules fixed in a decree but requires decisions to amend management and control models, and business and financial policies which do not reduce privatisations to mere "sell-off" transactions.

Asati, the shareholder announced, therefore intended to vote against amendments which are only decoys. Finally, he posed the question set out below:

- in proposing amendments to the bylaws, did the Board take into consideration, or does it intend to take into consideration in a proximate review stage, the introduction of clauses more openly supporting the wider shareholder base, including in the specific form of employee shareholders, such as for example those mentioned earlier of: quota-based, proportional or weighted vote; incentives other than the continued maintenance of share possession; reserving seats on the Board for representatives of employee shareholders and other smallshareholders?

**Mr. Frasca** observed that the judicial contentions raised by ASATI in relation to the matter of the presentation of slates were proper initiatives, required by the shareholders: there had not, however, been any intention of questioning the work and the professionalism of the colleagues who tried to lend a hand for the initiative. The apologies of ASATI went to them, where there had been the perception of criticism of them.

**Mr Napoleoni** believed that it was necessary to improve or simplify the the system of issuing proxies, both internally and in relation to the banks. Mediolanum, for example, was very organised from this point of view, while others required physical attendance in the branch. Going back, finally, to the proposal by shareholder Marino, he emphasized that it would be possible to make a contribution to ASATI, even for facilitating moments of confrontation such as

conferences dedicated to employees are.

**Mr Radaelli**, after stating that he was not a shareholder but that he performed the role of common representative of the savings shareholders of Telecom Italia Media, talked about the merger of Telecom Italia Media. He indicated that shareholder Iemmi had already mentioned a recent ruling, although partial, of the Council of State, which would later take effect on 2 July, to determine the compensation - referring to the allocation of certain frequencies to Telecom Italia Media. The ruling, however, had a very considerable economic value, such as to put into question the exchange ratios which the Board, with the support of its advisors, had defined and was today putting to the approval of Telecom Italia shareholders.

In his opinion, but also in the opinion of many savings shareholders of Telecom Italia Media, there were strong reasons for believing the exchange ratios not to be fair, correct and consistent. For his part, he could not do other than suggest to the Board of Directors of Telecom Italia that they should delete the resolution on the merger of Telecom Italia Media from the agenda, not putting it to the vote, because the strong doubts that existed would shortly produce consequences: it would in fact be his duty, Mr Radaelli emphasised, to protect the shareholders of the category which he represented in all locations and at all levels. While not wishing a priori to institute proceedings, if the procedure were to go ahead in a manner not in line with correctness and fairness of the exchange values, the category of savings shareholders would be protected in all the ways permitted by law.

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The floor was then taken by the **Chief Executive Officer Mr Marco Patuano** to reply to the points raised. Turning to the merger of Telecom Italia Media, he recalled first of all the method that had been followed for determining the exchange ratio. On this point, he emphasised that not only had the applicable regulations been complied with but best practices had been followed in a framework not of form but of substance. Both companies had therefore selected qualified financial advisors at the outcome of a competitive process, and everyone had confirmed the fairness of the exchange ratios. Telecom Italia Media had furthermore treated the transaction as a transaction with related parties of major significance: consequently, the committee made up of independent directors had taken part in the preliminary investigation stage and the negotiation stage, issuing a favourable opinion. On 30 March further confirmation had been received from the expert nominated by the Tribunal.

In a framework more directed towards substance, the merger was set

up immediately as the most market friendly possible. For this reason, it was decided for example to assign to the savings shareholders of Telecom Italia Media shares of the same category, thus ensuring a share with a decidedly greater liquidity. The merger, therefore, reckoned the right of withdrawal at a price significantly at a premium compared with the exchange value, which constituted a further opportunity for the minority shareholders. Moving on to the prospects for return on investment, it was necessary to remember that Telecom Italia Media had not distributed dividends since 2006, having had a long sequence of loss-making years. In this regard the conditions of article 2446 were also fulfilled, with a renunciation of receivables on the part of the majority shareholder and consequent recapitalisation. The loss-making situation was also confirmed after the sale of La7, with a structural liquidity deficit then emerging. There was marginal cash generation, but Telecom Italia Media continued to be able to be sustained only thanks to the lines of credit provided by the parent company. In a context like this, it was if anything understandable for the shareholders of Telecom Italia to be somewhat worried, a worry which should be responded to by reminding them that the business of Telecom Italia Media is a simple business of transporting a television signal, and the conditions therefore exist for being able to draw a benefit from the merger.

Continuing further on the point, Mr Patuano recalled that the merger had been approved by the shareholders' meeting of the company to be incorporated, albeit after a wide-ranging discussion. As for the recent ruling by the Council of State regarding the claim of a right to a further multiplex, he emphasised that this judgement did not introduce nullifying elements with respect to the state of the proceedings, which were still a long way from being concluded. The ruling in fact rejected objections of disqualification and inadmissibility put forward by the Ministry of Economic Development, by AGCOM, by RAI and by RTI, without, however, examining the issue in detail. The Council of State had thus subordinated considering the merits to the outcome of further investigatory and procedural activity: the decision, in short, was not such as to overcome the situation of uncertainty over the dispute, and the next hearing had been fixed for 2 July 2015. This date was furthermore previous to the signing of the deed of merger, and if before then a ruling on the merits were actually to be issued, the Company would proceed to review the overall situation, also considering that the completion of the merger would require the consent of both companies. It remained at the same time fairly unlikely that there could be definitive judicial decisions before the merger; but the path followed by the Company remained

irreproachable and at that moment there were no grounds for assuming different evaluations or for staying the decision proposed today to the shareholders.

The **Chairman**, in his turn, recalled that all the tasks entrusted to banks and consultants were performed on the basis of proven competence, and remunerated on the basis of market benchmarks. There were therefore no conflicts of interest. As for shareholder Marino's request, the Chairman invited the shareholder to write to Ms Logli so that he could be "informed in detail on the matter".

**Mr Radaelli**, after thanking Mr Patuano for the presentation, recalled that Telecom Italia Media is subject to direction and coordination by Telecom Italia and that if there are losses they must be borne not only by the majority shareholder but at least also by the other ordinary shareholders. As for the ruling by the Council of State, he observed how difficult it would be to have a ruling on 2 July: more probably it would be delayed until the end of July or maybe till September, also considering the holiday suspension of the time-limits. It could thus be that the final ruling would arrive after the deed of merger: at that point the proceedings would close, but the shareholders whom he represented, who had already expressed their perplexity with a contrary resolution of the special assembly, would complain of a loss, demanding compensation while not being able to suspend the merger.

**Mr. Corato** stated that he had not wanted to talk about conflict of interest. The fact that the business banks can on one occasion carry out placing of loans and on another occasion can play a consultancy role makes Telecom Italia rather dependent on the current business bank system, something that also happens to many groups.

**Mr Corneli** stated that he had not had particular information on the process followed for drafting amendments to the bylaws.

The **Chairman** in this last connection stated that a committee had been set up for Governance in which he himself had taken part, as well as the Chairman of the Control and Risks Committee, the General Counsel Mr Cusimano and also external lawyers and the Notary. The proceedings had taken several months, and there will be still more to do: the conviction was that it had done a good job, especially consistent with the recommendations provided by the previous Board.

**Mr Arini** asked what action it was intended to take in response to the damaging declarations of interest by Telecom Italia on the overvaluation of the network.

The **Chairman** recalled that provision had already been made for making a submission to Consob, and concluded by appreciating the efforts made by ASATI to protect the assets of the Company.

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

- declared the discussion closed;
- 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 7,712,665,688 shares with rights to the same number of votes and equivalent to about 57.25% of the total of the ordinary shares, he declared the voting open at 7:25 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 and for a period of five years from the date of this resolution, the powers to increase the share capital by issuing a maximum of 46,363,635 (forty-six million three hundred sixty-three thousand six hundred and thirty-five) ordinary shares without par value, allocating the amount of 0.55 (zero point five five) euros per share issued to the capital, by allocating profits or retained profits in the maximum amount of 25,500,000 (twenty-five million five hundred thousand) euros pursuant to article 2349 of the Italian Civil Code. The aforesaid ordinary shares will be reserved exclusively for part of the employees benefiting from the short-term incentive scheme (so-called MBO) for the 2015 financial year, as identified at the appropriate time by the Company's Board of Directors, subject to the terms and conditions and by the methods specified in the appropriate regulations. Regarding the capital increase, the Board of Directors shall have the right to proceed to duly identify the profits and/or retained profits, stated in the last duly approved financial statements, to be used for this purpose, with the powers to make the appropriate accounting adjustments consequent on the issue operations, in accordance with the legal provisions and the accounting principles that are applicable in each case;*
2. *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 20 May 2015 the Directors may increase the share capital to service the partial liquidation in equities of the short-term incentive for the 2015 financial year by issuing a maximum of 46,363,635 new ordinary shares without par value, with regular dividend entitlement, allocating the amount of 0.55 euros to the share capital for each share issued and excluding the preferential subscription rights pursuant to article 2441, subsection 8, Italian Civil Code, to be reserved for part of the management of Telecom Italia S.p.A. and companies controlled by it that are covered by this measure for 2015, as identified at the appropriate time by the Company's Board of Directors".

3. 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 of the Company Bylaws that are consequent on the resolutions, and on the execution and completion of the increase in share capital authorised as above, and to that end meet all the obligations and publish all information required by the regulations;

- 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 2,290,591,726 shares.

Abstained 56,341,749 shares.

In favour the remaining 5,365,732,213 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 7,712,665,688 shares with rights to the same number of votes and equivalent to about 57.25% of the total of the ordinary shares, he declared the voting open at 7:27 pm, by the use of the televoter, on the relevant proposed resolution, transcribed below:

"The shareholders' meeting of Telecom Italia S.p.A., met in extraordinary session,

- 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 provide for and authorise, in accordance with the provisions of the Regulations, the convertibility of the equity-linked bond issue of a nominal amount of 2,000,000,000 (two billion) euros, due on 26 (twenty six) March 2022 (two thousand and twenty-two), named "€2,000,000,000 1.125 per cent Equity-Linked Bonds due 2022", and therefore to approve the proposed share capital increase for cash, in tranches, with exclusion of preferential subscription right pursuant to art. 2441, subsection 5 of the Italian Civil Code, for a total maximum amount, including any share premium, of 2 billion euros, to service the conversion of the "€2,000,000,000 1.125 per cent. Equity-Linked bonds due 2022", described below, potentially to be settled in shares as prescribed in the Regulations, to be paid up in one or more tranches by means of the issue of ordinary shares in the Company for a maximum amount of 2 (two) billion euros, with regular dividend entitlement exclusively to service the bonds issued by the Company named "€2,000,000,000 1.125 per cent Equity-Linked Bonds due 2022", in accordance with the criteria established by the related Regulations. No parts of shares will be issued or delivered and no cash payment or adjustment will be made in lieu of said parts;

2. to approve the sending by the Chairman and Chief Executive Officer, even separately and with the faculty to sub-delegate, of a communication ("Physical Settlement Notice") to Bondholders by virtue of which the possibility will be provided of converting the Bonds into ordinary newly issued Company shares;

3. to establish that the issue price of the conversion shares of the share capital increase is determined on the basis of provisions of the Bond Issue Regulations under point 1 above and therefore equal to 1.8476 (one point eight four seven six) euros, excepting adjustments and without prejudice to cases where the related conversion price will be calculated in accordance with the methods specified by the bond issue Regulations pursuant to point 1 above and, in particular, without prejudice to the case of exercise of the share settlement election; and is allocated to capital for the amount of 0.55 (zero point five five) euros (or the lesser amount of the conversion price) and any residual amount to the share premium.

4. to authorise the Board of Directors and, on its behalf its legal representatives, to carry out the above-mentioned share

capital increase determining, inter alia and each time, in compliance with the provisions of the Regulations (i) the exact issue price of the shares, and, as a consequence of the determination of the issue price, (ii) the exact number of shares to be issued, and, therefore, the exact exchange ratio, as necessary for the timely application of the provisions and criteria of the Regulations; it being understood that, should the share capital increase referred to above not be fully subscribed on 26 (twenty-sixth) March 2022 (two thousand and twenty), the share capital shall be deemed to be increased by an amount equal to the subscriptions received;

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

"The extraordinary shareholders' meeting of 20 May 2015 resolved to increase the share capital for cash, in tranches, with exclusion of preferential subscription rights pursuant to art. 2441, subsection 5 of the Italian Civil Code, for a total maximum amount, including any share premium, of 2,000,000,000 (two billion) euros, to service the conversion of the "€2,000,000,000 1.125 per cent. Equity-Linked bonds due 2022", to be paid up in one or more tranches by the issue of ordinary shares of the Company with regular dividend entitlement, for a maximum amount of 2,000,000,000 euros (two billion) euros, exclusively to service the bond issued by the Company named "€2,000,000,000 1.125 per cent. Equity-Linked Bonds due 2022", in accordance with the criteria determined by the related Regulations, without prejudice to the fact that the final terms for subscription of the newly issued shares are established as 26 March 2022 and that if, as of that date, the share capital increase has not been fully subscribed it will in any case be deemed to be increased by an amount equal to the subscriptions collected and as of that date, with the express authorisation of the directors to issue the new shares as they are subscribed No parts of shares will be issued or delivered and no cash payment or adjustment will be made in lieu of said parts"

6. to confer upon the Board of Directors - and on behalf thereof on the pro tempore legal representatives of the Company, jointly or severally - all powers to put into effect the aforementioned share capital increase and to make the consequent changes on a case by case basis to article 5 of the Company bylaws, and to that end meet all the obligations and publish all information required by the regulations, to complete all the necessary formalities for the approved resolutions to be entered in the Business Register, accepting and making thereto any amendments, additions or deletions of a non-substantial nature that may be required by the competent authorities, as well as all the powers necessary for

legal and regulatory compliance deriving from the resolution adopted."

The resolution was approved by a majority of the shareholders.

Against 23,033,072 shares.

Abstained 113,753,043 shares.

In favour the remaining 7,575,879,573 shares represented.

All as detailed in the annexes.

The Chairman announced the result and then, **on the third 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 7,712,665,688 shares with rights to the same number of votes and equivalent to about 57.25% of the total of the ordinary shares, declared the voting open at 7:29 pm, by the use of the televoter, on the relevant proposed resolution, transcribed below (indicating only the proposed text of the articles subject to amendment):

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

*- having examined the explanatory report of the Board of Directors;*

#### **resolves**

1. to amend articles 9 (nine), 11 (eleven) and 17 (seventeen) in the text reproduced below:

"Article 9

9.1 - The Company shall be managed by a Board of Directors consisting of not less than seven and not more than nineteen members, at least one third of whom shall be of the less represented gender, rounding any fractions up to the next whole number. The Shareholders' Meeting shall establish the number of members of the Board of Directors, which shall remain unchanged until a different number is established.

9.2 - The Board of Directors shall be appointed, in accordance with the applicable laws and regulations, on the basis of slates presented by the shareholders or by the outgoing Board of Directors.

9.3 - Each shareholder may present or participate in the presentation of only one slate and each candidate may appear on only one slate on pain of ineligibility. The slates must ensure the presence of candidates who fulfil the requirements of independence established by Article 148 of Legislative Decree 58/1998 and/or the Corporate Governance Code for listed companies, in such a way that at least one half of the members chosen from each slate, at the outcome of the vote, possesses such

requirements. Slates that contain a number of candidates greater than or equal to three must also ensure that both genders are present, in such a way that candidates of the less represented gender are at least one third of the total. For the purpose of applying the independence and gender requirements, fractional numbers are rounded up to the nearest whole number.

9.4 - Slates may be submitted only by shareholders who alone or together with other shareholders hold a total number of shares representing at least 0.5%, or such lower amount established by Consob regulations, of the share capital entitled to vote at the Ordinary Shareholders' Meeting.

9.5 - Together with each slate, it is necessary to file individual candidates' acceptance of their candidacy and declarations in which they attest, on their own responsibility, that there are no grounds for ineligibility or incompatibility, and that they meet any requirements, as well as any other information requested by applicable law or regulation or the bylaws. Together with the declarations, a curriculum vitae shall be filed for each candidate setting out their main personal and professional data with an indication of the positions held in management and control bodies of other companies and of the grounds for their qualifying as independent in accordance with the criteria established by law and the Company. Any changes that occur up to the day the Shareholders' Meeting is held must be promptly notified to the Company.

9.6 - Each person entitled to vote may vote for only one slate.

9.7 - The Board of Directors shall be elected as specified below:

a) from the slate which has obtained the majority of the votes (the so-called Majority Slate) two thirds of the directors to be elected shall be chosen, in the order in which they are listed on said slate, rounding any fractions down to the nearest whole number. At least one half of the directors chosen from the Majority Slate (with fractions rounded up to the nearest whole number) must possess the independence requirements envisaged in art. 148 of Legislative Decree 58/1998 and/or the Corporate Governance Code for listed companies; if this is not the case, the last candidate chosen from the Majority Slate who does not fulfil such requirements shall be replaced by the first of those not elected from the same slate who possesses these requirements. In the absence of independent candidates on the Majority Slate in sufficient number to proceed with the replacement, the Shareholders' Meeting shall supplement the board with the majorities required by law, thus ensuring that the requirement is met;

without prejudice to compliance with the applicable laws and regulations concerning the limits to the link with the Majority

*Slate, the remaining directors shall be taken from the other slates; to that end, the votes obtained by the various slates shall be divided successively by whole numbers from one up to the number of directors to be chosen. The quotients thus obtained shall be assigned to the candidates on each slate in the order specified thereon. On the basis of the quotients assigned, the candidates on the various slates shall be arranged in a single decreasing ranking. Those who have obtained the highest quotients shall be elected, provided that at least one half of the candidates chosen from each slate (with fractions rounded up to the nearest whole number) possesses the independence requirements specified in art. 148 of Legislative Decree 58/1998 and/or the Corporate Governance Code for listed companies, proceeding, if this is not the case, to replace the last candidate elected who does not fulfil such requirements with the first of those not elected from the same slate who possesses these requirements. In the absence of independent candidates on the Majority Slate in sufficient number to proceed with the replacement, the next candidates fulfilling the independence requirements, according to the order as per the single ranking as set forth above, shall be elected. If this is not the case, the Shareholders' Meeting shall supplement the board with the majorities required by law, thus ensuring that the requirement is met.*

*If more than one candidate obtains the same quotient, the candidate from the slate that has not yet elected any director or that has elected the smallest number of directors shall be elected.*

*If none of such slates has yet elected a director or all of them have elected the same number of directors, the candidate from the slate that obtained the largest number of votes shall be elected. If the different slates have received the same number of votes and their candidates have been assigned the same quotients, a new vote shall be held by the entire Shareholders' Meeting and the candidate obtaining the simple majority of the votes shall be elected.*

*If the composition of the resulting board does not reflect gender balance, taking into account their ranking order on the slate, the necessary number of the last candidates of the more represented gender elected from the Majority Slate shall forfeit their post to ensure compliance with this requirement, and shall be replaced by the first candidates not elected from the same slate who are of the less represented gender. In the absence of candidates of the less represented gender on the Majority Slate in sufficient number to proceed with the replacement, the Shareholders' Meeting shall supplement the board with the majorities required by law, thus ensuring that the requirement is met. The elected members of*

the more represented gender who possess the independence requirements specified by Article 148 of Legislative Decree no. 58/1998, and/or the Corporate Governance Code for listed companies, shall in all cases be replaced with nominees who similarly possess these requirements.

9.8 - In appointing directors who for any reason have not been appointed pursuant to the procedure specified above, the Shareholders' Meeting shall vote on the basis of the majorities required by law, ensuring that the requirements of the law and the Bylaws regarding the composition of the board are respected.

9.9 - If in the course of the financial year one or more vacancies occur on the Board, the procedure specified in Article 2386 of the Civil Code shall be followed, ensuring that the requirements of the law and the Bylaws regarding the composition of the board are respected.

9.10 - Should a majority of the seats on the Board of Directors become vacant for any cause or reason, the remaining directors shall be deemed to have resigned and they shall cease to hold office from the time the Board of Directors has been reconstituted by persons appointed by the Shareholders' Meeting.

9.11 - At the first renewal of the Board of Directors after the Shareholders' Meeting of 15 May 2012, the quota to be assigned to the less represented gender is limited to one fifth of the total, rounding any fractions up to the nearest whole number.";

"Article 11

11.1 - The Chairman or his/her substitute shall call meetings of the Board of Directors at the Company's registered office or elsewhere, on his/her own initiative and whenever he/she receives a written request to do so from at least two directors holding office or from the members of the Board of Statutory Auditors. The Chairman shall give advance notice of the matters to be discussed in Board meetings and arrange for adequate information on the questions to be examined to be provided to all the Directors, taking account of the circumstances of each case.

11.2 - Meetings shall be called, using suitable means in relation to the notice to be given, normally at least five days prior to the date thereof, except in urgent cases, when at least twelve hours' notice must in any case be given.

11.3 - Notice shall be given to the Statutory Auditors within the same time limits.

11.4 - Participation in Board meetings may - if the Chairman or his/her substitute verifies the necessity - be by means of telecommunication techniques that permit participation in the discussion and informational equality for all those taking part.";

"Article 17

17.1 - The Board of Statutory Auditors shall consist of five standing auditors, including at least two from the less represented gender. The Shareholders' Meeting also appoints four alternate auditors, two of each gender.

17.2 - For the purposes of Article 1, subsection 2, letters b) and c) of the regulation referred to in Justice Minister Decree 162/2000, the following sectors of activity and matters shall be considered closely linked to those of the Company: telecommunications, information technology, online systems, electronics and multimedia technology, and matters related to private and administrative law, economics and business administration.

17.3 - The appointment of the Board of Statutory Auditors shall be in compliance with the applicable laws and regulations on the basis of slates presented by shareholders.

17.4 - Each shareholder may present or participate in the presentation of only one slate and each candidate may appear on only one slate on pain of ineligibility.

17.5 - Slates may be submitted only by shareholders who alone or together with other shareholders hold a total number of shares representing at least 0.5% (or such lower amount as is required by the regulatory rules issued by Consob for the presentation of slates of candidates for the appointment of the Board of Directors).

17.6 - Together with each slate, it is necessary to file individual candidates' acceptance of their candidacy and declarations in which they attest, on their own responsibility, that there are no grounds for ineligibility or incompatibility, and that they meet the requirements, as well as any other information requested by applicable law or regulation or the bylaws

17.7 - Together with the declarations, a curriculum vitae for each candidate shall be filed setting out their personal and professional details with an indication of the positions held in management and control bodies of other companies. Any changes that occur up to the day the Shareholders' Meeting is held must be promptly notified to the Company.

17.8 - The slates shall be divided into two sections: one for candidates to the position of standing auditor and the other for candidates to the position of alternate auditor. Slates which in one or both sections contain three or more candidates must ensure the presence of both genders in said section, so that candidates of the less represented gender are at least one third of the total, rounding any fractions up to the next whole number. The first candidate in each section shall be selected from among the external auditors entered in the appropriate register who have worked on



external audits for a period of not less than three years.

17.9 - Each person entitled to vote may vote for only one slate.

17.10 - The Board of Statutory Auditors shall be elected as specified below:

a) from the slate which has obtained the majority of the votes (the so-called Majority Slate) three standing and two alternate Auditors shall be chosen in the order in which they are listed on the slate;

without prejudice to the applicable laws and regulations concerning the limits to link with the Majority Slate, two standing and two alternate auditors shall be chosen from the other slates ( the Minority Slates).

To this end, the votes obtained by the Minority Slates shall be divided by one and by two. The quotients thus obtained shall be assigned to the candidates of the one and the other section of each slate in the order specified thereon. On the basis of the quotients assigned, the candidates on the various slates shall be arranged respectively in a single decreasing ranking for the appointment of the standing auditors and a single decreasing ranking for the appointment of the alternate auditors and those who have obtained the two highest quotients shall be elected.

If more than one candidate obtains the same quotient, the candidate from the slate that has not yet elected a statutory auditor shall be elected or, subordinately, there shall be a tiebreaker vote by the entire Shareholders' Meeting and the candidate who obtains the simple majority of the votes shall be elected.

If the composition of the resulting board or category of alternate auditors does not reflect the gender balance, taking into account their ranking order in the respective sections, the necessary number of the last candidates of the more represented gender elected from the Majority Slate shall forfeit their position to ensure compliance with this requirement, and shall be replaced by the first unelected candidates of the less represented gender on the same slate and the same section. In the absence of candidates of the less represented gender in the relevant section of the Majority Slate in sufficient number to proceed with the replacement, the Shareholders' Meeting shall appoint the standing or alternate auditors that are missing with the majorities required by law, ensuring that the requirement is met.

17.11 - The Shareholders' Meeting shall appoint the Chairman of the Board of Statutory Auditors from among the standing auditors elected from Minority Slates.

17.12 - In appointing statutory auditors who for any reason have not been appointed pursuant to the procedure specified above, the Shareholders' Meeting shall vote on the basis of the majorities

required by law, ensuring compliance with the requirements of the law and the Bylaws regarding the composition of the board and the category of alternate auditors.

17.13 - In the event of the termination of the appointment of statutory auditors chosen from the Majority Slate or from one of the Minority Slates, alternate auditors chosen respectively from the Majority Slate or the Minority Slates shall take their place in declining order of age, always in compliance with the requirements of the Bylaws regarding the composition of the board. Appointments to fill vacancies on the Board of Statutory Auditors pursuant to Article 2401 of the Italian Civil Code shall be approved by the Shareholders' Meeting with the affirmative vote of the absolute majority of those voting and in compliance with the principle of the necessary representation of the minority shareholders, and of the requirements of the Bylaws regarding gender balance. In the event of the termination of the appointment of a statutory auditor chosen from the Minority Slates the principle of the necessary representation of the minority shareholders shall be deemed to be complied with in the event of the appointment of an alternate auditor chosen from the Minority Slates.

17.14 - After notifying the Chairman of the Board of Directors, the Board of Statutory Auditors, may call, as provided for by law, a Shareholders' Meeting or a meeting of the Board of Directors or the Executive Committee. This power to call meetings may be exercised individually by each statutory auditor, except for the power to call a Shareholders' Meeting, which must be exercised by at least two statutory auditors.

17.15 - Participation in the meetings of the Board of Statutory Auditors may - if the Chairman verifies the necessity - be by means of telecommunication techniques that permit participation in the discussion and informational equality for all those taking part.

17.16 - If the Chairman is absent or unable to act, the other standing auditor elected from the Minority Slates shall take his/her place.

17.17 - At the first renewal of the Board of Statutory Auditors after the Shareholders' Meeting of 15 May 2012, the quota to be assigned to the less represented gender is limited to one fifth of the total, rounding any fractions up to the nearest whole number.";

2. to confer on the Board of Directors - and on behalf thereof on the legal representatives pro tempore of the company, jointly or severally, - all the powers necessary 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 non-substantial parts that may be required by the competent authorities, as well as all the powers necessary for legal and regulatory compliance consequent on the resolutions adopted." The resolution was approved by a majority of the shareholders. Against 72,152,861 shares.

Abstained 56,315,198 shares.

In favour the remaining 7,584,197,629 shares represented.

All as detailed in the annexes.

The Chairman announced the result and then, **on the fourth 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 7,712,665,688 shares with rights to the same number of votes and equivalent to about 57.25% of the total of the ordinary shares, he declared the voting open at 7:31 pm, by the use of the televoter, on the relevant proposed resolution, transcribed below:

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

*. given the plan for merger by incorporation of Telecom Italia Media S.p.A. into Telecom Italia S.p.A.;*

*. having examined the Directors' Explanatory Report on the merger plan specified above;*

*. having acknowledged the financial position of the companies participating in the merger, represented by the draft financial statements for financial year 2014;*

*. having acknowledged the report on the fairness of the exchange ratio prepared by Reconta Ernst & Young S.p.A., as expert appointed in accordance with Article 2501-sexies of the Italian Civil Code by the Court of Milan;*

*. having acknowledged the timely deposit of the documentation, in accordance with current provisions;*

*. given the statement by the Board of Statutory Auditors that the current share capital is fully paid up;*

**resolves**

1. to approve the merger plan and consequently to proceed with the merger by incorporation of Telecom Italia Media S.p.A. into Telecom Italia S.p.A., in accordance with the terms and conditions set out therein. More specifically, the exchange of the ordinary and savings shares in the company being incorporated Telecom Italia Media S.p.A. will be achieved by issuing

- 0.66 (zero point six six) ordinary shares of the Incorporating Company for each 1 (one) ordinary share in the Company being

*Incorporated and*

*- 0.47 (zero point forty-seven) savings shares of the Incorporating Company for each 1 (one) savings share in the Company being Incorporated,*

*with the same dividend entitlement date as that of the existing Telecom Italia S.p.A. ordinary and savings shares as of the date on which the Merger takes effect, all without par value, in application of the share allocation methods envisaged in the merger plan;*

*2. to increase, in tranches, the share capital of the incorporating company Telecom Italia S.p.A. to service the exchange by a maximum par value of 10,612,042.10 (ten million six hundred twelve thousand forty two point ten) euros, by means of the issue of up to 16,735,479 (sixteen million seven hundred thirty-five thousand four hundred seventy-nine) new ordinary shares and up to 2,559,143 (two million five hundred fifty nine thousand one hundred forty three) new savings shares, all without par value, allocating 0.55 (zero point fifty-five) euros per share to capital. Said maximum amount is calculated without considering the ordinary shares and savings shares of Telecom Italia Media S.p.A. held by Telecom Italia S.p.A. as at the date of the merger plan; these will be cancelled without exchange. It is specified that in order to facilitate management of the rounding off procedure, a specific appointment will be made of an authorised intermediary.*

*3. to accordingly amend Art. 5 (five) of the company Bylaws by introducing a new, last subsection as follows:*

*"The shareholders' meeting of 20 May 2015 resolved a divisible share capital increase by a maximum total of 10,612,042.10 euros by means of the issue of up to 16,735,479 new ordinary shares and up to 2,559,143 new savings shares, all without par value, allocating 0.55 euros per share to capital, with regular entitlement, to service the merger by incorporation of Telecom Italia Media S.p.A."*

*4. to confer upon the Board of Directors and, on behalf thereof, on the pro tempore legal representatives, severally and also by means of special proxies to be appointed to this end, all powers to make any non-substantive amendments, supplements or eliminations to and from the meeting resolutions as may be necessary at the request of any competent administrative authority or when registering it with the Business Register;*

*5. to confer upon the Board of Directors and, on behalf thereof, on the pro tempore legal representatives, severally and also by means of special proxies to be appointed to this end, full powers, with no exclusions, to implement the merger in accordance with the terms and conditions laid down by the merger plan and this*

resolution and, therefore, without any limitation to:

- stipulate and sign the public deed of merger and any deed of recognition, supplement and adjustment as may be necessary or appropriate, defining all relevant conditions, clauses, terms and methods in compliance with and fulfilment of the merger plan;
- to supplement and amend, when agreeing the deed of merger, the numerical expressions given in Article 5 of the Bylaws of Telecom Italia S.p.A., in application of the criteria identified by the merger plan and in relation to the number of shares to be issued to service the merger;
- generally to carry out all else as may be required, necessary, useful or even only appropriate to fully implement the above resolutions, enabling the transfers, transcriptions, notes, amendments and adjustments of ownership in public registers and all other competent offices, as well as the presentation to the competent authorities of all applications, requests, communications or petitions for authorisation as may be required or necessary or appropriate for the purpose of the transaction."

The resolution was approved by a majority of the shareholders.

Against 11,822 shares.

Abstained 132,186,519 shares.

In favour the remaining 7,580,467,347 shares represented.

All as detailed in the annexes.

The Chairman announced the result and then, **on the fifth 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 7,712,665,688 shares with rights to the same number of votes and equivalent to about 57.25% of the total of the ordinary shares, he declared the voting open at 7:33 pm, by the use of the televoter, on the relevant proposed resolution presented by Telco S.p.A.: "to insert the following transitory clause at the end of the Bylaws of Telecom Italia, with efficacy limited in time (i) for so long as Telefónica retains a shareholding in Telecom Italia or (ii) if earlier, until the moment in which the restrictions imposed by ANATEL should cease to have effect:

Article 20-bis

Transitory clause

In conformity with the prescriptions made by Agência Nacional de Telecomunicações "ANATEL" in its ruling dated 22 December 2014, as subsequently amended on 12 March 2015, the exercise of all the administrative rights (direitos políticos) of Telefónica S.A. in Telecom Italia and in its subsidiaries (including Tim Celular S.A.

and Intelig Telecomunicações Ltda.) shall be understood to be suspended, particularly with regard to:

i. the designation of members of the Board of Directors, Board of Statutory Auditors and Executive Committee or any corporate body of such companies with equivalent powers;

ii. the exercising by Telefónica S.A. of its voting rights and veto rights in the shareholders' meetings of Telecom Italia and said companies or in any corporate body thereof with equivalent powers;

iii. its participation (in order to calculate quorums for the purpose of constituting such meetings and for resolutions) in shareholders' meetings or in any corporate body of Telecom Italia and said companies with equivalent powers;

The aforementioned restrictions shall prevail over the other provisions of the company Bylaws of Telecom Italia that are incompatible with them, in such a way that Telefónica S.A. is always precluded from participating, intervening or exercising a voting right or veto, or registering its presence (in order to calculate quorums for the purpose of constituting such meetings and for resolutions) in relation to any resolution adopted by Telecom Italia or said companies.

The content of this article 20-bis shall have efficacy for as long as Telefónica remains a shareholder of Telecom Italia, irrespective of the number of shares, or until the moment in which this control, object of the restriction identified in the ANATEL case ("Ato nº 454 22 January 2015), shall cease to have efficacy."

The resolution was approved by a majority of the shareholders.

Against 5,625,268 shares.

Abstained 222,629,358 shares.

In favour the remaining 7,484,411,062 shares represented.

All as detailed in the annexes.

The Chairman announced the result and, at 7:35 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.

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

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

- the bylaw which incorporates the amendments as adopted above and the up-to-date amount of the share capital, as Appendix "D".

These minutes were signed by me, the notary, at 10:50 (ten fifty) a.m.

They consist of fifteen sheets written using mechanical means by a person whom

I trust, and completed in my own hand, making fifty-eight pages  
and part of the fifty-ninth as far as here.  
Signed Carlo Marchetti, notary public